

**IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT  
OF PENNSYLVANIA**

MINNESOTA LAWYERS MUTUAL	:	
INSURANCE COMPANY,	:	CIVIL ACTION NO.
2200 Accenture Tower	:	
333 S. 7 <sup>th</sup> Street	:	
Minneapolis, MN 55402,	:	
	:	
Plaintiff,	:	
	:	
v.	:	
	:	
CHRISTOPHER MAZULLO	:	
77 West Court Street	:	
Doylestown, PA 18901,	:	
	:	
ANTHONY J. MAZULLO, JR.	:	
77 West Court Street	:	
Doylestown, PA 18901,	:	
	:	
KEVIN J. MURPHY	:	
77 West Court Street	:	
Doylestown, PA 18901, and	:	
	:	
MAZULLO & MURPHY, P.C.	:	
77 West Court Street	:	
Doylestown, PA 18901,	:	
	:	
Defendants.	:	

**COMPLAINT**

Plaintiff, Minnesota Lawyers Mutual Insurance Company (“MLM”), by and through its attorneys, Swartz Campbell LLC, brings this action for declaratory judgment against defendants, Christopher Mazullo, Anthony J. Mazullo, Jr., Kevin J. Murphy and Mazullo & Murphy, P.C., and, in support thereof, avers and states as follows:

**Nature of Action and Relief Sought**

1. This is an action to determine the rights and liabilities of MLM, on the one hand, and Mazullo & Murphy, P.C., Christopher Mazullo, Anthony J. Mazullo, Jr., and Kevin J. Murphy, on the other hand, pursuant to a policy of insurance issued by MLM to Mazullo & Murphy, P.C.

2. There is now existing between the parties an actual controversy for which MLM is entitled to have a declaration of its rights pursuant to 28 U.S.C. § 2201.

3. All persons necessary for a just and complete adjudication of the dispute between MLM and Defendants have been joined to this cause of action.

**The Parties**

4. Plaintiff, MLM, is a Minnesota corporation with its principal place of business located at 2200 Accenture Tower, 333 S. 7<sup>th</sup> Street, Minneapolis, MN 55402.

5. Defendant, Christopher Mazullo is an adult individual, who, upon information and belief, is a resident of the Commonwealth of Pennsylvania and has a work address at 77 West Court Street, Doylestown, Pennsylvania 18901.

6. Defendant, Anthony Mazullo, Jr., is an adult individual who, upon information and belief, is a resident of the Commonwealth of Pennsylvania and has a work address at 77 West Court Street, Doylestown, Pennsylvania 18901.

7. Defendant, Kevin J. Murphy, is an adult individual who, upon information and belief, is a resident of the Commonwealth of Pennsylvania and has a work address at 77 West Court Street, Doylestown, Pennsylvania 18901.

**Venue and Jurisdiction**

8. Subject matter jurisdiction is based on diversity of citizenship pursuant to 28 U.S.C. § 1332. Plaintiff and defendants are citizens of different states and the amount in controversy exceeds \$75,000.

9. Venue is proper in this district pursuant to 28 U.S.C. § 1391(a)(1) and (2) because the defendants are located in this district and because a substantial part of the events or omissions giving rise to this claim occurred here.

**The MLM Policy**

10. On or about April 1, 2008, MLM issued Lawyers' Professional Liability Policy number 8015-06 ("the MLM Policy") to Mazullo & Murphy, P.C. ("the Named Insured"). A copy of the MLM Policy is attached hereto as Exhibit A.

11. The Policy had an effective coverage period from April 1, 2008 to April 1, 2009.

12. The MLM Policy excludes coverage for

Any CLAIM for DAMAGES arising out of the dishonest, criminal, malicious or deliberately fraudulent act, error or omission of the INSURED, subject to the Innocent Insured Protection provisions.

13. The MLM Policy also excludes coverage for

Any Claim arising out of the solicitation or sale of specific securities or specific investments by an INSURED.

**The Levene Matter**

14. On or about February 26, 2010, Ronald Levene commenced *Levene v. Mazullo & Murphy, P.C., et al.*, No. 2010-01887 (CCP Bucks County) ("the Levene Lawsuit") against Mazullo & Murphy, P.C., Anthony Mazullo, Jr., Christopher Mazullo and Kevin J. Murphy (collectively "the Mazullo defendants"). A copy of the Levene Lawsuit complaint is attached hereto as Exhibit B.

15. Levene alleges claims against the Mazullo defendants for violations of 70 P.S. §§ 1-501 and 1-503 of the Pennsylvania Securities Act of 1972, professional negligence and misrepresentation.

16. The claims asserted by Mr. Levene arise out the Mazullo defendants' participation in an alleged scheme to sell unregistered securities and investments in Doylestown Investment Group, LLC ("DIG") and Doylestown Retail Partners, LP ("DRP").

17. Levene alleged that he invested \$100,000 with DIG in exchange for, among other things, six percent (6%) of DIG's Class B Limited Partner Interest in Doylestown Retail Partners, LP (DRP) and a guaranteed return of the full investment plus 15% on or before December 28, 2008.

18. Levene alleges that the Mazullo defendants had knowledge of a Cease and Desist order against DIG and its principal to halt the offer and sale of unregistered securities and did not disclose the order to Levene.

19. Levene alleges that the Mazullo defendants knew that the investment offered to Levene was an offering of securities which were unregistered and of the same nature and type subject to the Cease and Desist Order.

20. Levene alleges that the Mazullo defendants engaged in acts and omissions of material facts or concealed the making of untrue statements of material facts by DIG's principal, including that the financial disclosures and projections about the DIG project were false, and that these acts and omissions were intended to further the sale of unregistered securities and to further the investment scheme.

21. The Levene complaint alleges that the Mazullo defendants, through manipulative, false and deceptive acts and omissions induced Levene, into investing in DIG and/or DRP.

22. The Levene Lawsuit complaint alleges that Mazullo defendants acted with the intent to deceive, manipulate and defraud Levene.

23. The Levene Lawsuit further alleges that the Mazullo defendants conduct was malicious, willful and intentional.

24. The Levene Complaint does not allege conduct by the Mazullo defendants other than willful, malicious, dishonest and fraudulent conduct.

**The McFadden and Vesci Matter**

25. John McFadden and James Vesci, Jr. filed an action against Christopher Mazullo and Mazullo & Murphy, P.C., among others, arising out of McFadden's and Vesci's investments in various limited partnerships managed by Doylestown Investment Group ("DIG") and DIG Management Inc. A copy of the Complaint in *McFadden and Vesci v. Mazullo, et al.*, No. 0810383 (CCP Bucks County) is attached hereto as Exhibit C.

26. McFadden and Vesci assert claims against Mazullo and Mazullo & Murphy for negligent misrepresentation, intentional misrepresentation, breach of fiduciary duty, conversion, unjust enrichment, negligence, violations of the Securities Act of 1972 and civil conspiracy.

27. The claims by McFadden and Vesci are based on the contention that the defendants, including Mazullo, fraudulently induced McFadden and Vesci to invest in a real estate *Ponzi* scheme.

28. According to the complaint, Mazullo and Mazullo & Murphy served as general counsel, agent, representative and/or employee of DIG and various limited partnerships in which DIG served as the general partner.

29. Mazullo was also alleged to be an investor in the limited partnerships for which he served as counsel and with respect to which he prepared various documents including investment agreements and loan agreements.

30. On October 28, 2006, Vesci executed an agreement of limited partnership with respect to Doylestown Retail Partners, L.P. and acquired 10 limited partnership units for the aggregate purchase price of \$50,000.

31. On October 7, 2007, Vesci executed an Investment Agreement pursuant to which Vesci loaned DIG the principal amount of \$50,000 which was securitized by the transfer of 7.5% of DIG's class B limited partner interest in 341 W. Butler, L.P.

32. The complaint alleges that Vesci was induced to execute the investment agreement as a result of misrepresentations made to him by DIG's principal, Fitzmartin concerning the value and existence of collateral, the promise and likelihood of repayment, the nature and purpose of the loan and the financial condition and experience of DIG and DIG management.

33. According to the complaint, at the time Vesci entered into the investment agreement, DIG was allegedly insolvent, inadequately capitalized and with insufficient cash flow to meet obligations to the limited partners participating in the various limited partnerships.

34. On October 31, 2007 McFadden executed an Investment Agreement pursuant to which McFadden loaned DIG the principal amount of \$75,000 which was securitized by the transfer of 15% of DIG's class B limited partner interest in 341 W. Butler, L.P.

35. On December 19, 2007, McFadden executed an investment agreement pursuant to which McFadden loaned DIG the principal amount of \$65,000 which was securitized by the transfer of 4% of DIG's class B limited partner interest in Doylestown Retail Partners, L.P.

36. On June 24, 2008, McFadden entered into a loan agreement in the principal amount of \$25,000 payable on June 30, 2008.

37. The complaint alleges that McFadden was induced to execute the investment agreements and the loan agreement as a result of intentional misrepresentations made to him by Fitzmartin and Mazullo concerning the value and existence of collateral, the promise and likelihood of repayment, the nature and purpose of the loan and the financial condition and experience of DIG and DIG management, and the ownership and authority to transfer the class B limited partnership interests.

38. According to the complaint, at the time McFadden entered into the investment agreements and the loan agreement, DIG allegedly was insolvent, inadequately capitalized and with insufficient cash flow to meet obligations to the limited partners participating in the various limited partnerships.

39. McFadden alleged that he sought advice from Mazullo about the agreements and was advised that the agreements provided satisfactory security to McFadden and that the agreements adequately protected the interest of the limited partners and/or McFadden's investments.

40. The complaint further alleges that Mazullo did not advise McFadden about a cease and desist letter received by DIG from the Pennsylvania Securities and Exchange Commission in October 2007.

41. Vesci and McFadden Plaintiffs allege that the investment and Loan Agreements solicited by Fitzmartin, the DIG entities and Mazullo were not intended as investments in real property or the operations thereof but were intended to satisfy the obligations to other investors.

42. Vesci and McFadden allege that the defendants, including Mazullo, were operating a Ponzi scheme.

43. The Vesci and McFadden Complaint does not allege conduct by Mazullo which is other than willful, malicious, dishonest and fraudulent conduct.

**Count I – Declaratory Relief**  
**MLM v. Mazullo & Murphy, P.C., Christopher Mazullo, Anthony Mazullo, Jr.,**  
**Kevin J. Murphy**

44. MLM incorporates by reference the averments contained in paragraphs 1 through 43 of its complaint as though fully set forth herein.

45. The MLM Policy, pursuant to Exclusion (1) of the Policy, does not cover claims arising out of the dishonest, criminal, malicious or deliberately fraudulent act, error or omission of the insureds.

46. The Levene Complaint alleges manipulative, false and deceptive acts and omissions by Mazullo & Murphy, P.C., Christopher Mazullo, Anthony Mazullo, Jr. and Kevin J. Murphy to induce Levene to invest in DIG and DRP.



47. The Levene Lawsuit complaint alleges that Mazullo & Murphy, P.C., Christopher Mazullo, Anthony Mazullo, Jr., Kevin J. Murphy acted with the intent to deceive, manipulate and defraud Levene.

48. The claims in the Levene Lawsuit are based on conduct by Mazullo & Murphy, P.C., Christopher Mazullo, Anthony Mazullo, Jr., Kevin J. Murphy which was allegedly dishonest, fraudulent, malicious, willful and intentional.

49. The conduct alleged in the Levene Complaint which gives rise to the claims against the Mazullo defendants is excluded from coverage under the MLM policy pursuant to Exclusion (1) of the MLM Policy.

50. Because Exclusion (1) of the MLM Policy bars coverage for the claims asserted against Mazullo & Murphy, P.C., Christopher Mazullo, Anthony Mazullo, Jr., Kevin J. Murphy by Ronald Levene, there is no duty to defend or indemnify Mazullo & Murphy, P.C., Christopher Mazullo, Anthony Mazullo, Jr., or Kevin J. Murphy for the claims asserted against them in *Levene v. Mazullo & Murphy, P.C., et al.*

51. Exclusion (13) of the MLM expressly excludes coverage for “any CLAIM arising out of the solicitation or sale of specific securities or specific investments by any INSURED.”

52. The claims alleged in the Levene Lawsuit stem from the Insureds’ alleged solicitation and sale of alleged securities and specific investments to Mr. Levene.

53. As such, Exclusion (13) of the MLM excludes coverage for the claims asserted against Mazullo & Murphy, P.C., Christopher Mazullo, Anthony Mazullo, Jr., Kevin J. Murphy by Ronald Levene.

54. Because Exclusion (13) of the MLM Policy also excludes coverage for the claims asserted against Mazullo & Murphy, P.C., Christopher Mazullo, Anthony Mazullo, Jr., Kevin J. Murphy by Ronald Levene, there is no duty to defend or indemnify Mazullo & Murphy, P.C., Christopher Mazullo, Anthony Mazullo, Jr., or Kevin J. Murphy for the claims asserted against them in *Levene v. Mazullo & Murphy, P.C., et al.*

WHEREFORE, MLM respectfully requests that this Court enter judgment in its favor declaring that MLM has no obligation to defend or indemnify Mazullo & Murphy, P.C., Christopher Mazullo, Anthony Mazullo, Jr., Kevin J. Murphy for the claims alleged against them in *Levene v. Mazullo & Murphy, P.C., et al.*, No. . :

**Count II– Declaratory Relief**  
**MLM v. Mazullo & Murphy, P.C., Christopher Mazullo**

55. MLM incorporates by reference the averments contained in paragraphs 1 through 54 of its complaint as though fully set forth herein.

56. The MLM Policy, pursuant to Exclusion (1) of the Policy, does not cover claims arising out of the dishonest, criminal, malicious or deliberately fraudulent act, error or omission of the insureds.

57. Vesci and McFadden Complaint alleges manipulative, false and deceptive acts and omissions by Mazullo & Murphy, P.C. and Christopher Mazullo, to induce them to invest in DIG related entities.

58. The Vesci and McFadden Complaint alleges that Mazullo & Murphy, P.C. and Christopher Mazullo, acted with the intent to deceive, manipulate and defraud Vesci and McFadden.

59. The claims alleged by Vesci and McFadden are based on the contention that the defendants, including Mazullo, were operating a Ponzi scheme.

60. The claims in the Vesce and McFadden Complaint are based on conduct by Mazullo & Murphy, P.C. and Christopher Mazullo which was allegedly malicious, dishonest, fraudulent and intentional.

61. Pursuant to the allegations in the Vesce and McFadden Complaint, plaintiffs' claims are excluded from coverage under the MLM policy pursuant to Exclusion (1) of the MLM Policy.

62. Because Exclusion (1) of the MLM Policy excludes coverage for the claims asserted against Mazullo & Murphy, P.C. and Christopher Mazullo, by Vesce and McFadden, there is no duty to defend or indemnify Mazullo & Murphy, P.C. and Christopher Mazullo, for the claims asserted against them in *Vesce and McFadden v. Mazullo & Murphy, P.C., et al.*

63. Exclusion (13) of the MLM expressly excludes coverage for "any CLAIM arising out of the solicitation or sale of specific securities or specific investments by any INSURED."

64. The claims asserted in the Vesce and McFadden Lawsuit stem from the Insureds' alleged solicitation and sale of alleged securities and specific investments to Vesce and McFadden.

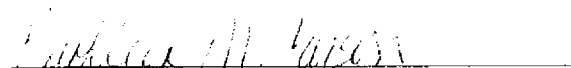
65. As such, Exclusion (13) of the MLM precludes coverage for the claims asserted against Mazullo & Murphy, P.C. and Christopher Mazullo by Vesce and McFadden.

66. Because Exclusion (13) of the MLM Policy also excludes coverage for the claims asserted against Mazullo & Murphy, P.C. and Christopher Mazullo, there is no duty to defend or indemnify Mazullo & Murphy, P.C. and Christopher Mazullo for the claims

asserted against them in *Vesci and McFadden v. Mazullo & Murphy, P.C., et al.*, No. 0810383-24-2 (CCP Bucks County).

WHEREFORE, MLM respectfully requests that this Court enter judgment in its favor declaring that MLM has no obligation to defend or indemnify Mazullo & Murphy, P.C. and Christopher Mazullo in *Vesci and McFadden v. Mazullo & Murphy, P.C., et al.*, No. 0810383-24-2 (CCP Bucks County).

SWARTZ CAMPBELL LLC



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Attorneys for Plaintiff, Minnesota Lawyers Mutual  
Insurance Company

Dated: March 2, 2011

JS 44 (Rev. 12/07)

**CIVIL COVER SHEET**

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

**I. (a) PLAINTIFFS**

Minnesota Lawyers Mutual Insurance Company, 2200 Accenture Tower, 333 S. 7th Street, Minneapolis, MN 55402

(b) County of Residence of First Listed Plaintiff Hennepin County, MN  
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)

Jeffrey B. McCarron, Esquire, Swartz Campbell LLC, Two Liberty Place, 50 S. 16th Street, 28th Floor, Philadelphia, PA 19102

**DEFENDANTS**

Christopher Mazullo, Anthony J. Mazullo, Kevin J. Murphy, Esquire and Mazullo & Murphy, P.C.

County of Residence of First Listed Defendant  
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.

Attorneys (If Known)

**II. BASIS OF JURISDICTION** (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff ☐ 3 Federal Question (U.S. Government Not a Party)
- ☐ 2 U.S. Government Defendant ☒ 4 Diversity (Indicate Citizenship of Parties in Item III)

**III. CITIZENSHIP OF PRINCIPAL PARTIES** (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- |   |                            |                                       |   |                                       |                            |
|---|----------------------------|---------------------------------------|---|---------------------------------------|----------------------------|
|   | PTF                        | DEF                                   |   | PTF                                   | DEF                        |
| Citizen of This State                   | <input type="checkbox"/> 1 | <input checked="" type="checkbox"/> 1 | Incorporated or Principal Place of Business in This State     | <input type="checkbox"/> 4            | <input type="checkbox"/> 4 |
| Citizen of Another State                | <input type="checkbox"/> 2 | <input type="checkbox"/> 2            | Incorporated and Principal Place of Business in Another State | <input checked="" type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3            | Foreign Nation  | <input type="checkbox"/> 6            | <input type="checkbox"/> 6 |

**IV. NATURE OF SUIT** (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<b>PERSONAL INJURY</b> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <b>PERSONAL INJURY</b> <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <b>PERSONAL PROPERTY</b> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other <b>LABOR</b> <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act <b>IMMIGRATION</b> <input type="checkbox"/> 452 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <b>PROPERTY RIGHTS</b> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark <b>SOCIAL SECURITY</b> <input type="checkbox"/> 861 HIA (1395if) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) <b>FEDERAL TAX SUITS</b> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deposition <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes
<b>REAL PROPERTY</b> <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<b>CIVIL RIGHTS</b> <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 446 Other Civil Rights	<b>PRISONER PETITIONS</b> <input type="checkbox"/> 510 Motions to Vacate Sentence <b>Habeas Corpus:</b> <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition		

**V. ORIGIN**

- (Place an "X" in One Box Only)
- ☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from another district (specify) ☐ 6 Multidistrict Litigation ☐ 7 Appeal to District Judge from Magistrate Judgment

**VI. CAUSE OF ACTION**

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):  
28 U.S.C. § 1332

Brief description of cause:

Action seeking declaration of rights under insurance policy

**VII. REQUESTED IN COMPLAINT:**

☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

**DEMAND \$**

CHECK YES only if demanded in complaint:

JURY DEMAND: ☐ Yes ☒ No

**VIII. RELATED CASE(S) IF ANY**

(See instructions):

JUDGE

DOCKET NUMBER

DATE

SIGNATURE OF ATTORNEY OF RECORD

3-2-11

*Jeffrey B. McCarron* (101502)

FOR OFFICE USE ONLY

RECEIPT # \_\_\_\_\_ AMOUNT \_\_\_\_\_ APPLYING IFP \_\_\_\_\_ JUDGE \_\_\_\_\_ MAG. JUDGE \_\_\_\_\_

**INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44****Authority For Civil Cover Sheet**

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

**I. (a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.

(b) **County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)

(c) **Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".

**II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.C.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.

United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.

United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.

Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.

Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; federal question actions take precedence over diversity cases.)

**III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.

**IV. Nature of Suit.** Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerks in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.

**V. Origin.** Place an "X" in one of the seven boxes.

Original Proceedings. (1) Cases which originate in the United States district courts.

Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.

Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.

Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.

Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.

Multidistrict Litigation. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407. When this box is checked, do not check (5) above.

Appeal to District Judge from Magistrate Judgment. (7) Check this box for an appeal from a magistrate judge's decision.

**VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553  
Brief Description: Unauthorized reception of cable service

**VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.

**Demand.** In this space enter the dollar amount (in thousands of dollars) being demanded or indicate other demand such as a preliminary injunction.

**Jury Demand.** Check the appropriate box to indicate whether or not a jury is being demanded.

**VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

**Date and Attorney Signature.** Date and sign the civil cover sheet.



- (e) Special Management – Cases that do not fall into tracks (a) through (d) that are commonly referred to as complex and that need special or intense management by the court. (See reverse side of this form for a detailed explanation of special management cases.) ( )
- (f) Standard Management – Cases that do not fall into any one of the other tracks. ( X )

<u>March 2, 2011</u>	<u>Jeffrey B. McCarron</u>	<u>Plaintiff, Minnesota Lawyers Mutual</u>
<b>Date</b>	<u>Kathleen M. Carson</u>	<u>Insurance Company</u>
	<b>Attorney-at-law</b>	<b>Attorney for</b>

<u>(215) 564-5190</u>	<u>(215) 299-4301</u>	<u>Jmccarron@swartzcampbell.com</u>
<b>Phone Number</b>	<b>Fax Number</b>	<u>Kcarson@swartzcampbell.com</u>
		<b>E-Mail Address</b>

(Civ. 660) 10/02



**Civil Justice Expense and Delay Reduction Plan  
Section 1:03 - Assignment to a Management Track**

(a) The clerk of court will assign cases to tracks (a) through (d) based on the initial pleading.

(b) In all cases not appropriate for assignment by the clerk of court to tracks (a) through (d), the plaintiff shall submit to the clerk of court and serve with the complaint on all defendants a case management track designation form specifying that the plaintiff believes the case requires Standard Management or Special Management. In the event that a defendant does not agree with the plaintiff regarding said designation, that defendant shall, with its first appearance, submit to the clerk of court and serve on the plaintiff and all other parties, a case management track designation form specifying the track to which that defendant believes the case should be assigned.

(c) The court may, on its own initiative or upon the request of any party, change the track assignment of any case at any time.

(d) Nothing in this Plan is intended to abrogate or limit a judicial officer's authority in any case pending before that judicial officer, to direct pretrial and trial proceedings that are more stringent than those of the Plan and that are designed to accomplish cost and delay reduction.

(e) Nothing in this Plan is intended to supersede Local Civil Rules 40.1 and 72.1, or the procedure for random assignment of Habeas Corpus and Social Security cases referred to magistrate judges of the court.

**SPECIAL MANAGEMENT CASE ASSIGNMENTS  
(See §1.02 (e) Management Track Definitions of the  
Civil Justice Expense and Delay Reduction Plan)**

Special Management cases will usually include that class of cases commonly referred to as "complex litigation" as that term has been used in the Manuals for Complex Litigation. The first manual was prepared in 1969 and the Manual for Complex Litigation Second, MCL 2d was prepared in 1985. This term is intended to include cases that present unusual problems and require extraordinary treatment. See §0.1 of the first manual. Cases may require special or intense management by the court due to one or more of the following factors: (1) large number of parties; (2) large number of claims or defenses; (3) complex factual issues; (4) large volume of evidence; (5) problems locating or preserving evidence; (6) extensive discovery; (7) exceptionally long time needed to prepare for disposition; (8) decision needed within an exceptionally short time; and (9) need to decide preliminary issues before final disposition. It may include two or more related cases. Complex litigation typically includes such cases as antitrust cases; cases involving a large number of parties or an unincorporated association of large membership; cases involving requests for injunctive relief affecting the operation of large business entities; patent cases; copyright and trademark cases; common disaster cases such as those arising from aircraft crashes or marine disasters; actions brought by individual stockholders; stockholder's derivative and stockholder's representative actions; class actions or potential class actions; and other civil (and criminal) cases involving unusual multiplicity or complexity of factual issues. See §0.22 of the first Manual for Complex Litigation and Manual for Complex Litigation Second, Chapter 33.

## UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF PENNSYLVANIA — DESIGNATION FORM to be used by counsel to indicate the category of the case for the purpose of assignment to appropriate calendar.

Address of Plaintiff: 2200 Accenture Tower, 333 S. 7<sup>th</sup> Street, Minneapolis, MN 55402

Address of Defendant: 77 West Court Street, Doylestown, PA 18901

Place of Accident, Incident or Transaction: Doylestown, Pennsylvania

(Use Reverse Side For Additional Space)

Does this civil action involve a nongovernmental corporate party with any parent corporation and any publicly held corporation owning 10% or more of its stock?  
(Attach two copies of the Disclosure Statement Form in accordance with Fed.R.Civ.P. 7.1(a)) Yes ☐ No ☒

Does this case involve multidistrict litigation possibilities?

Yes ☐

No ☒

RELATED CASE, IF ANY:

Case Number: 2:09-CV-00630

Judge Robreno

Date Terminated: 4-20-10

Civil cases are deemed related when yes is answered to any of the following questions:

1. Is this case related to property included in an earlier numbered suit pending or within one year previously terminated action in this court?  
Yes ☐ No ☒
2. Does this case involve the same issue of fact or grow out of the same transaction as a prior suit pending or within one year previously terminated action in this court?  
Yes ☒ No ☐
3. Does this case involve the validity or infringement of a patent already in suit or any earlier numbered case pending or within one year previously terminated action in this court?  
Yes ☐ No ☒
4. Is this case a second or successive habeas corpus, social security appeal, or pro se civil rights case filed by the same individual?  
Yes ☐ No ☒

CIVIL: (Place in ONE CATEGORY ONLY)

A. Federal Question Cases:

1. ☐ Indemnity Contract, Marine Contract, and All Other Contracts
2. ☐ FELA
3. ☐ Jones Act-Personal Injury
4. ☐ Antitrust
5. ☐ Patent
6. ☐ Labor-Management Relations
7. ☐ Civil Rights
8. ☐ Habeas Corpus
9. ☐ Securities Act(s) Cases
10. ☐ Social Security Review Cases
11. ☐ All other Federal Question Cases  
(Please specify)

B. Diversity Jurisdiction Cases:

1. ☒ Insurance Contract and Other Contracts
2. ☐ Airplane Personal Injury
3. ☐ Assault, Defamation
4. ☐ Marine Personal Injury
5. ☐ Motor Vehicle Personal Injury
6. ☐ Other Personal Injury  
(Please specify)
7. ☐ Products Liability
8. ☐ Products Liability — Asbestos
9. ☐ All other Diversity Cases  
(Please specify)

### ARBITRATION CERTIFICATION

(Check Appropriate Category)

I, Kathleen M. Carson

counsel of record do hereby certify:

☐ Pursuant to Local Civil Rule 53.2, Section 3(c)(2), that to the best of my knowledge and belief, the damages recoverable in this civil action case exceed the sum of \$150,000.00 exclusive of interest and costs;

☒ Relief other than monetary damages is sought.

DATE: 3/2/11

Kathleen M. Carson

Attorney-at-Law

47981

Attorney I.D.#

NOTE: A trial de novo will be a trial by jury only if there has been compliance with F.R.C.P. 38.

I certify that, to my knowledge, the within case is not related to any case now pending or within one year previously terminated action in this court except as noted above.

DATE: \_\_\_\_\_

Attorney-at-Law

Attorney I.D.#



# MINNESOTA LAWYERS MUTUAL

INSURANCE COMPANY

## DECLARATIONS

Policy Number 8015 06

333 South Seventh Street, Suite 2200; Minneapolis, MN 55402  
(612) 341-4530 (800) 422-1370 fax (800) 305-1510

### LAWYERS PROFESSIONAL LIABILITY POLICY (THIS IS A CLAIMS-MADE POLICY - READ CAREFULLY)

<b>Item 1.</b> <b>Named Insured</b> Mazulio & Murphy, P.C. <b>Office Address</b> 77 West Court Street Doylestown, PA 18901			
<b>Item 2.</b> <b>Policy Period</b> 04/01/2008 to 04/01/2009 (the Effective Date) (the Expiration Date) 12:01 A.M., standard time at the address of the Named Insured stated herein			
<b>Item 3.</b> <b>Limits of Liability</b> \$ 200,000 Per Claim \$ 600,000 Aggregate			
<b>Item 4.</b> <b>Deductible Amount</b> \$ 5,000 Per Claim			
<b>Item 5.</b> <b>TOTAL NUMBER OF LAWYERS:</b> 6 <b>TOTAL PREMIUM:</b> \$8,333			
<b>Item 6.</b> <b>Applicable Forms and Endorsements:</b> MLM-19 (7-03), MLM-62 (2-06), MLM-2000 (4-05), MLM-74 (7-03) MLM-271 (10-03)			

In witness whereof, Minnesota Lawyers Mutual Insurance Company has caused this policy to be signed by its President and Secretary and countersigned by a duly authorized agent of the Company.

MINNESOTA LAWYERS MUTUAL INSURANCE COMPANY

By John J. Bowden  
John J. Bowden, Secretary

By R. Bertram Greener  
R. Bertram Greener, Board of Directors Chairman

Diane V. H. Stand  
Authorized Agent



# MINNESOTA LAWYERS MUTUAL

INSURANCE COMPANY

Named Insured		Endorsement Number
Policy Number	Policy Period	Effective Date of Endorsement
The above information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.		

## INDIVIDUAL PRIOR ACTS RETROACTIVE DATE ENDORSEMENT

It is agreed the PRIOR ACTS RETROACTIVE DATE for the following individual INSURED(s) are listed below:

<u>INSURED</u>	<u>PRIOR ACTS RETROACTIVE DATE</u>
Leonard E. Dimare	06/30/06
Christopher P. Kelly	10/01/07
Anthony J. Mazullo	Full Prior Acts
Christopher Mazullo	09/01/99
Kevin J. Murphy	03/01/98
Lisa H. Prezelski	01/01/92

If 'Full Prior Acts' is designated above, it means the date the INSURED first entered the private practice of law.

Words and phrases that appear in all capital letters have special meaning.  
Please refer to the *Definitions* section of the policy.



# MINNESOTA LAWYERS MUTUAL

INSURANCE COMPANY

Named Insured		Endorsement Number
Policy Number	Policy Period	Effective Date of Endorsement
The above information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.		

## PENNSYLVANIA CHANGES ENDORSEMENT

This endorsement modifies insurance provided under the following sections of this policy:

### **CANCELLATION OR NON-RENEWAL**

The Cancellation Or Non-Renewal section is deleted in its entirety and replaced with:

#### **CANCELLATION OR NONRENEWAL**

##### **(1) Cancellation**

- (a) This policy may be cancelled by the NAMED INSURED by returning it to US. The NAMED INSURED may also cancel this policy by written notice to US stating at what future date cancellation is to be effective.
- (b) WE may cancel this policy by mailing, or by delivery of a written notice of cancellation to the NAMED INSURED at the address last known to US. Notice will state the effective date and specific reason for cancellation. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the POLICY PERIOD. Delivery of such written notice either by the NAMED INSURED or by US shall be equivalent to mailing.
- (c) If the policy has been in effect for less than 60 days, WE will provide written notice at least 30 days prior to the effective date of cancellation.
- (d) If this policy has been in effect for 60 days or more or if it is a renewal of a policy WE have previously issued, WE may cancel for one of the following reasons:
  - (i) Non-payment of premium when due, whether payable directly to US or indirectly under a premium finance plan or extension of credit, or failure to pay amounts in excess of the limit of our liability or within the amount of the deductible;
  - (ii) Material misrepresentation or fraud which affects the insurability of the risk
  - (iii) A condition, factor or loss experience material to insurability has changed substantially or a substantial condition, factor or loss experience material to the insurability has become known during the POLICY PERIOD;
  - (iv) Loss of reinsurance or a substantial decrease in reinsurance has occurred which loss or decrease shall at the time of cancellation be certified by the Pennsylvania Commissioner of Insurance as directly affecting in-force policies;
  - (v) Material failure to comply with policy terms, conditions or contractual liabilities; or
  - (vi) Other reasons that the Pennsylvania Commissioner of Insurance may approve.

This policy may also be cancelled from inception upon discovery that the policy was obtained through fraudulent statements, omissions or concealment of facts material to the acceptance of the risk or to the hazard assumed by US.

If WE cancel the policy for reasons stated in (1)(d)(i) or (1)(d)(ii) above, WE will provide notice at least 15 days prior to the effective date of cancellation. If WE cancel the policy for any reason stated in (1)(d)(iii) through (1)(d)(vi), WE will provide notice at least 60 days prior to the effective date of cancellation.

- (e) If WE cancel this policy, the earned premium shall be computed pro rata and the unearned premium will be refunded to the NAMED INSURED prior to the effective date of the cancellation. If the NAMED INSURED cancels this policy WE shall retain the customary short rate proportion of the premium. Premium adjustment may be made either at the time cancellation is effected or not later than 30 days after the effective date of termination, but payment or tender of unearned premium is not a condition of cancellation.
- (2) Nonrenewal  
If WE elect to nonrenew this policy, WE will mail, or deliver written notice of nonrenewal to the NAMED INSURED at the address last known to US at least 60 days prior to the expiration date of this policy. Notice will state the effective date of and specific reason for nonrenewal. Delivery of such written notice by US shall be the equivalent of mailing.
- (3) Renewal  
If WE elect to renew this policy, and increase the renewal premium, WE will mail or deliver to the NAMED INSURED at the address last known to US written notice of OUR intent to increase premium at least 30 days prior to the effective date of the premium increase.
- (4) Loss Information
  - (a) If WE elect to cancel or nonrenew this policy, the notice of cancellation or nonrenewal shall state that, upon receipt of a request by the NAMED INSURED WE will provide loss information to the NAMED INSURED for at least 3 years or the period of time during which WE provided coverage to the NAMED INSURED, whichever is less.
  - (b) The NAMED INSURED's written request for loss information must be made within 10 days of the receipt of the notice of cancellation or nonrenewal. WE will have 30 days from the date of receipt of the written request to provide the requested information.

#### **NOTICE OF ANNUAL MEETING**

The Notice of Annual Meeting section is deleted in its entirety and replaced with:

#### **NOTICE OF ANNUAL MEETING:**

The policyholder named herein is hereby notified that while this policy is in force, he, she or it is by virtue hereof a member of Minnesota Lawyers Mutual Insurance Company and that the annual meeting of said company is held each year on the fourth Tuesday of the month of June at the principal place of business of the corporation unless the Board of Directors upon proper notice determines to hold the annual meeting at a different time or location. The policyholder is the NAMED INSURED.

All other terms and conditions remain the same.

Words and phrases that appear in all capital letters have special meaning.  
Please refer to the *Definitions* section of the policy.



# MINNESOTA LAWYERS MUTUAL

INSURANCE COMPANY

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## LAWYERS PROFESSIONAL LIABILITY INSURANCE CLAIMS-MADE POLICY

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### COVERAGE

WE will pay all sums up to the limit of OUR liability, which the INSURED may be legally obligated to pay as DAMAGES due to any CLAIM:

- (1) arising out of any act, error or omission of the INSURED or a person for whose acts the INSURED is legally responsible; and
- (2) resulting from the rendering or failing to render PROFESSIONAL SERVICES while engaged in the private practice of law or from rendering or failing to render PROFESSIONAL SERVICES as a PART TIME EMPLOYED ATTORNEY OF A GOVERNMENTAL BODY, SUBDIVISION OR AGENCY.

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### DEFENSE AND SETTLEMENT

WE have the exclusive right to investigate, negotiate and defend CLAIMS seeking DAMAGES against the INSURED for which this policy provides coverage. The INSURED may not negotiate or agree to a settlement of any CLAIM without OUR prior consent. There is no coverage under this policy to pay any part of a settlement of a CLAIM made without our consent.

WE will not settle a CLAIM without the written consent of the INSURED. If the INSURED refuses to consent to any settlement recommended by US and elects to contest the CLAIM or continue legal proceedings, then OUR liability for the CLAIM will not exceed the amount for which the CLAIM could have been settled within the applicable limit including CLAIM EXPENSE incurred with OUR consent to the date of such refusal. The INSURED must cooperate with US in the investigation and defense without charge by the INSURED or reimbursement of the INSURED's expenses, subject to the Supplementary Payment provision of this policy.

After WE have paid the limit of liability or resolved all CLAIMS covered by this policy WE will not:

- (1) pay any CLAIM, judgment or expense.
- (2) undertake or continue the defense or investigation of any CLAIM or suit.

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### TERRITORY

This policy applies to any act, error or omission which occurs anywhere in the world, provided the suit is first brought and resolved within the United States and its territories or Canada.

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### CLAIMS-MADE PROVISIONS

A CLAIM is covered only if made during the POLICY PERIOD or extended reporting period and reported to US:

- (1) during the POLICY PERIOD;
- (2) within 60 days after the end of the POLICY PERIOD; or
- (3) during the extended reporting period.

The act, error or omission giving rise to the CLAIM must have occurred:

- (1) during the POLICY PERIOD; or
- (2) prior to the POLICY PERIOD and on or after the PRIOR ACTS RETROACTIVE DATE, if the INSURED had no knowledge of facts which could reasonably support a CLAIM at the effective date of this policy.

A CLAIM is deemed made when:

- (1) a demand is communicated to the INSURED for DAMAGES or PROFESSIONAL SERVICES;
- (2) a lawsuit is served upon the INSURED seeking DAMAGES; or
- (3) an act, error or omission by any INSURED occurs which has not resulted in a demand for DAMAGES but which an INSURED knows or reasonably should know, would support such a demand.

We will not provide coverage for any CLAIM arising out of the same, related or continuing PROFESSIONAL SERVICES which resulted in a CLAIM prior to the first policy issued to the INSURED by US.

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**SUPPLEMENTARY PAYMENT** WE will pay, in addition to the applicable limit of liability and not subject to any deductible:

- (1) for loss of earnings to each INSURED for each day or part of a day if such INSURED'S attendance at a trial, hearing, or dispute resolution proceeding involving a CLAIM against such INSURED is at OUR request. The maximum WE will pay under this paragraph is \$250.00 per day.
- (2) for attorney fees and other reasonable costs, expenses or fees resulting from the investigation or defense of a proceeding before a licensing board, peer review or other sanctioning or licensing body incurred as the result of a notice of proceeding both first received by the INSURED and reported to US during the POLICY PERIOD, and arising out of an act, error or omission in the rendering of PROFESSIONAL SERVICES by an INSURED.

Provided the trial, hearing, dispute resolution proceeding or proceeding before a licensing board, peer review or other sanctioning or licensing body is due to rendering or failure to render PROFESSIONAL SERVICES which occurred on or after the PRIOR ACTS RETROACTIVE DATE and was reported to US during the POLICY PERIOD or within 60 days after the end of the POLICY PERIOD. The INSURED must have had no knowledge of any such proceeding at the effective date of this policy.

**The total amount we will pay under these Supplementary Payment Provisions shall not exceed \$5,000 per policy period.**

**DEFINITIONS**

"CLAIM(S)" means:

- (1) A demand communicated to the INSURED for DAMAGES or PROFESSIONAL SERVICES.
- (2) A lawsuit served upon the INSURED seeking DAMAGES; or
- (3) An act, error or omission by any INSURED which has not resulted in a demand for DAMAGES but which an INSURED knows or reasonably should know, would support such a demand.

"CLAIM EXPENSE(S)" means fees charged by an attorney(s) retained by US to defend CLAIMS and all expenses incurred by US or with OUR consent in the investigation, negotiation and disposition of CLAIMS. Salary charges or expenses of OUR regular employees are not included. Expenses of, or charges by, the INSURED without OUR prior written consent are not CLAIM EXPENSES.

"DAMAGE(S)" means monetary judgments or monetary settlements. DAMAGES does not include any of the following:

- (1) any fine, penalty or sanction imposed by law or otherwise, or the multiplied portion of any damages assessed against any INSURED imposed directly or vicariously, whether or not imposed by statute or common law;
- (2) punitive or exemplary damages assessed against any INSURED, whether or not allowed by statute or common law;
- (3) any forfeiture, reduction, discount or return of professional fees earned or claimed by any INSURED;
- (4) the portion of any award, judgment or settlement that does not compensate for loss;
- (5) any order for restitution or other payment by a court, tribunal, or agency of government made in connection with the criminal conviction of an INSURED; or
- (6) the sanction of an INSURED to pay any fine, penalty or sum adjudged as restitution for damage or harm caused by an INSURED or as reimbursement to a court, tribunal or agency for its costs.

"INSURED" means:

- (1) the NAMED INSURED;
- (2) any partner or employee of the NAMED INSURED at the time the CLAIM is reported for PROFESSIONAL SERVICES rendered:
  - (a) on behalf of the NAMED INSURED; or
  - (b) prior to their relationship with the NAMED INSURED, subject to the PRIOR ACTS RETROACTIVE DATE, if any;
- (3) any former partner or employee for former acts, errors or omissions in PROFESSIONAL SERVICES on behalf of the NAMED INSURED;
- (4) the heirs, assigns and legal representatives of the NAMED INSURED in the event of the INSURED's death, incapacity or bankruptcy to the extent that the INSURED would have been covered; and
- (5) any lawyer who is acting as of counsel and:
  - (a) is named and described in the application as of counsel; and
  - (b) is performing PROFESSIONAL SERVICES on behalf of the NAMED INSURED.

"NAMED INSURED" means the person or entity shown in Item 1 of the Declarations and any PREDECESSOR FIRM.

"PART-TIME EMPLOYED ATTORNEY OF A GOVERNMENTAL BODY, SUBDIVISION OR AGENCY" means an attorney who regularly engages in a private law practice and maintains a separate law office for that purpose in addition to acting as an employee of a governmental body, subdivision or agency.

"POLICY PERIOD" means the period from the effective date of this policy to the expiration date or earlier



termination date of this policy. POLICY PERIOD does not include any extended reporting period.

"PREDECESSOR FIRM" means any law firm to whose liabilities the NAMED INSURED is the majority successor in interest.

"PRIOR ACTS RETROACTIVE DATE" means the date before which no act, error or omission is covered even if a CLAIM resulting therefrom is reported during the POLICY PERIOD or extended reporting period.

"PROFESSIONAL SERVICES" means legal or notary services for others, including, but not limited to, services as administrator, conservator or guardian; executor or personal representative; trustee, escrow agent, title insurance agent; mediator, arbitrator or other participant in a dispute resolution process; activity as a member of a bar association, ethics, peer review, formal accreditation or licensing, or similar professional board or committee, and activities as an author, strictly in the publication or presentation of research papers, articles in attorney trade publications or similar materials only if the fees generated from such work are not greater than ten thousand dollars (\$10,000).

"TOTALLY AND PERMANENTLY DISABLED" means that the owner, partner, officer or employed attorney has become so incapacitated as to be wholly prevented from rendering PROFESSIONAL SERVICES provided such disability:

- (1) has existed continuously for not less than six (6) months;
- (2) is expected to be continuous and permanent; and
- (3) is certified by a medical doctor.

TOTALLY AND PERMANENTLY DISABLED does not include any condition which:

- (1) is a result of attempted suicide whether or not the INSURED is sane;
- (2) is a result of intentionally self-inflicted injuries; or
- (3) is a result of the abuse or misuse of addictive or non-addictive chemical compounds or alcohol.

"WE", "US" and "OUR" mean Minnesota Lawyers Mutual Insurance Company.

## EXCLUSIONS

This policy does not afford coverage for the following:

- (1) any CLAIM for DAMAGES arising out of the dishonest, criminal, malicious or deliberately fraudulent act, error or omission of the INSURED, subject to the Innocent Insured Protection provisions.
- (2) any CLAIM for bodily injury, sickness or death of any person or damage to or loss of use of any tangible property.
- (3) any CLAIM arising out of PROFESSIONAL SERVICES rendered by any INSURED in connection with any business enterprise:
  - (a) owned in whole or in part;
  - (b) controlled directly or indirectly; or
  - (c) managed
 by any INSURED, and where the claimed DAMAGES resulted from conflicts of interest with the interest of any client or former client or with the interest of any person claiming an interest in the same or related business enterprise
- (4) any CLAIM made by an employer against an INSURED who is an employee of such employer, unless the CLAIM is made against an INSURED acting as a PART-TIME EMPLOYED ATTORNEY OF A GOVERNMENTAL BODY, SUBDIVISION OR AGENCY.
- (5) any loss sustained by an INSURED as a beneficiary or distributee of any trust or estate.
- (6) any CLAIM arising out of an INSURED'S activities as an officer or director of an employee trust, charitable organization, corporation, company or business other than that of the NAMED INSURED.
- (7) any CLAIM arising out of an INSURED'S activities as an elected public official or as a salaried employee of a governmental body, subdivision or agency, unless the CLAIM arises out of PROFESSIONAL SERVICES rendered as a PART-TIME EMPLOYED ATTORNEY OF A GOVERNMENTAL BODY, SUBDIVISION OR AGENCY.
- (8) any CLAIM arising out of an INSURED'S activities as a fiduciary under the Employee Retirement Income Security Act of 1974, its amendments and any regulation or order issued pursuant thereto. This exclusion does not apply if the INSURED is deemed to be a fiduciary solely by reason of legal advice rendered with respect to an employee benefit plan.
- (9) any CLAIM based upon or arising out of actual or alleged discrimination by an INSURED including those based on race, creed, age, sex, marital status or sexual preference.
- (10) any CLAIM based upon or arising out of actual or alleged sexual harassment by the INSURED.
- (11) any CLAIM involving an employment dispute between any INSURED and an employee.

- (12) any CLAIM based on or arising out of an obligation to indemnify, if assumed by contract, which exposes the INSURED to liability which they would otherwise not have, but for such contract.
- (13) any CLAIM arising out of the solicitation or sale of specific securities or specific investments by any INSURED;
- (14) any loss or damage which is occasioned by terrorism, war, invasion, hostilities, act of foreign enemies, civil war, rebellion, insurrection, military or usurped power, or martial law or confiscation by order of any government or public authority.

**INNOCENT  
INSURED  
PROTECTION**

- (1) WE will provide coverage for any INSURED who did not personally participate in or acquiesce to any actual or alleged dishonest, criminal, malicious or deliberately fraudulent act, error or omission of another INSURED; provided that the INSURED who did not participate in or acquiesce to the act, error or omission which gives rise to a CLAIM:
  - (a) had no knowledge of or reason to believe that any such act, error or omission was being committed;
  - (b) took appropriate action to prevent further wrongdoing immediately after learning of the act, error or omission; and
  - (c) immediately notifies US after obtaining personal knowledge of such act, error or omission.
- (2) If a CLAIM has been concealed from US by an INSURED who was responsible for such CLAIM and which, but for such concealment, would have been covered, WE will cover any INSURED who did not participate in, acquiesce to or fail to promptly notify US after having personal knowledge of such concealment.

To be covered under this Innocent Insured Protection provision the INSURED must promptly notify US of such acts or concealment and otherwise comply with all policy provisions. WE will have the right to recover against any INSURED responsible for any CLAIM EXPENSE or DAMAGES paid under this paragraph.

**EXTENDED  
REPORTING  
PERIOD OPTIONS**

**A. Firm Extended Reporting Period Endorsement**

If this policy is cancelled or non-renewed by either the NAMED INSURED or US, the NAMED INSURED may purchase a Firm Extended Reporting Period Endorsement for CLAIMS which are otherwise covered

- (1) arising out of an act, error or omission of the INSURED or a person for whose acts the INSURED is legally responsible;
- (2) resulting from the rendering or failing to render PROFESSIONAL SERVICES; and
- (3) occurring on or after the PRIOR ACTS RETROACTIVE DATE and prior to the end of the POLICY PERIOD of the policy to which the endorsement is attached.

The period of extended reporting coverage will be 12 months following termination of this policy. It will be annually renewable at the option of the NAMED INSURED upon payment of the premium determined by US in accordance with the rules and rates in effect during the POLICY PERIOD of the policy to which the Firm Extended Reporting Period Endorsement attaches.

The Firm Extended Reporting Period Endorsement is available or renewable only if:

- (1) the NAMED INSURED has paid all premium and deductible amounts due;
- (2) the premium is paid within 60 days of the effective date or renewal date of this endorsement; and
- (3) renewal coverage is not accepted by or offered to the NAMED INSURED in Item 1 of the declarations

The option to purchase this endorsement must be exercised in writing directly to US within 60 days after the end of the POLICY PERIOD or the expiring Firm Extended Reporting Period Endorsement. If the required notice is not submitted directly to US within the timeframe described above, the NAMED INSURED will not, at any later date, be able to purchase the Firm Extended Reporting Period Endorsement.

At the inception of the initial Firm Extended Reporting Period Endorsement the aggregate limit of liability will be fully reinstated to the aggregate limit of liability which was available on the policy to which it attaches.

Any Firm Extended Reporting Period Endorsement WE issue does not extend the policy term or change the scope of coverage.

**B. Individual Retirement Extended Reporting Period Endorsement**

Except as provided in C. below, in the event that any owner, partner, officer or employed attorney of the NAMED INSURED retires and ceases the performance of all private practice of law, that owner, partner, officer or employed attorney shall have the option to purchase a one (1), two (2), three (3), seven (7) year or an unlimited Individual Retirement Extended Reporting Period Endorsement for CLAIMS which are otherwise covered under the policy to which this endorsement attaches.

In the event that the owner, partner, officer, or employed attorney resumes the private practice of law, the coverage provided herein shall be void.

The premium for the Individual Retirement Extended Reporting Period Endorsement will be calculated using the rules and rates in effect during the POLICY PERIOD of the policy to which the Individual Retirement Extended Reporting Period Endorsement attaches. The entire premium for the Individual Retirement Extended Reporting Period Endorsement is earned at the commencement of the Individual Retirement Extended Reporting Period. In the event the owner, partner, officer or employed attorney obtains other applicable coverage, returns to the private practice of law, or cancels the Individual Retirement Extended Reporting Period Endorsement prior to its stated termination date, WE will not return any premium.

The owner, partner, officer or employed attorney's option to purchase the Individual Retirement Extended Reporting Period Endorsement must be exercised in writing directly to US no later than 60 days after the retired attorney is no longer continuously insured by US. Such written notice must include payment of the applicable premium for the endorsement. If the required notice is not submitted directly to US within the timeframe described above, the attorney will not, at any later date, be able to purchase an Individual Retirement Extended Reporting Period Endorsement.

Coverage under the Individual Retirement Extended Reporting Period Endorsement applies only if there is no other applicable coverage.

For a CLAIM to be covered under the Individual Retirement Extended Reporting Period Endorsement the INSURED must have no knowledge of facts which could reasonably support a CLAIM at the effective date of the Individual Retirement Extended Reporting Period Endorsement and the CLAIM must:

- (1) arise out of an act, error or omission of the INSURED or a person for whose acts the INSURED is legally responsible; and
- (2) result from the rendering or failing to render PROFESSIONAL SERVICES.

The act, error or omission giving rise to the CLAIM must have occurred on or after the PRIOR ACTS RETROACTIVE DATE and prior to the date of retirement.

Any Individual Retirement Extended Reporting Period Endorsement WE issue does not extend the policy term, change the scope of coverage or increase the limits of liability of the policy to which the endorsement is attached.

**C. Death or Disability Extended Reporting Period Endorsement**

If during the POLICY PERIOD an owner, partner, officer or employed attorney dies or becomes TOTALLY AND PERMANENTLY DISABLED in any manner other than:

- (1) by attempted suicide or intentionally self-inflicted injuries whether or not the INSURED is sane; or
  - (2) as a result of the abuse or misuse of addictive or non-addictive chemical compounds or alcohol;
- he or she will be entitled to an unlimited Individual Retirement Extended Reporting Period Endorsement, as described in B above, at no additional premium.

In the event that any other coverage applies or the disabled attorney resumes the private practice of law, the coverage provided herein shall be void.

If an INSURED dies and the Death or Disability Extended Reporting Period Endorsement is desired, the INSURED'S estate, heirs, executors or administrators must provide US written proof of the Insured's death within 180 days of the end of the POLICY PERIOD.

If an INSURED becomes TOTALLY AND PERMANENTLY DISABLED by a manner other than described in (1) or (2) above, and the Death or Disability Extended Reporting Period Endorsement is desired, the INSURED or the INSURED's legal guardian must provide US written proof of the total and permanent disability. The proof of disability must be received by US within 180 days of the end of the POLICY PERIOD. We retain the right to contest the certification by the INSURED's physician and it is a condition precedent to this coverage that the INSURED agrees to submit to examinations by any physician designated by US.

Any Death or Disability Extended Reporting Period Endorsement WE issue does not extend the policy term, change the scope of coverage or increase the limits of liability of the policy to which the endorsement is attached.

**NOTICE OF  
CLAIMS AND  
DISCIPLINARY  
ACTIONS**

In the event of a CLAIM, disciplinary action, disciplinary investigation or notice to appear before a review board, the INSURED must:

- (1) give immediate written notice to US; and
- (2) forward every demand, notice, summons or other communication received by the INSURED or his or her representative to:

**Mail or Delivery**

Minnesota Lawyers Mutual Insurance Company  
333 South Seventh Street, Suite 2200  
Minneapolis, MN 55402

**Fax**

(800) 305-1510

In all events, you must give US notice during the POLICY PERIOD, within 60 days after the end of the POLICY PERIOD or during the extended reporting period for coverage to apply.

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**LIMIT OF  
LIABILITY**

The per claim limit in Item 3 of the declarations is the maximum amount of OUR liability for all DAMAGES and CLAIM EXPENSE arising out of the same or related PROFESSIONAL SERVICES without regard to the number of CLAIMS or claimants.

All CLAIM EXPENSE shall first be subtracted from the limit of liability. The remainder, if any, is the amount available to pay money DAMAGES.

The aggregate limit in Item 3 of the declarations is the total amount of OUR liability for DAMAGES and CLAIM EXPENSE from CLAIMS first reported to US during:

- (1) the POLICY PERIOD;
- (2) any Individual Retirement Extended Reporting Period Endorsement; or
- (3) any Death or Disability Extended Reporting Period Endorsement.

The inclusion in this policy of more than one INSURED will not increase the limits of OUR liability.

---

**DEDUCTIBLE**

The limit of liability will apply in excess of the deductible.

The deductible will be subtracted from the total amount of covered DAMAGES resulting from each CLAIM reported to US during the POLICY PERIOD.

The deductible is payable within 30 days of OUR written demand.

---

**REIMBURSEMENT  
TO US**

The INSURED will be liable for amounts WE have paid in settlement of CLAIMS or satisfaction of judgments in excess of the limits of OUR liability. The INSURED will also be liable for amounts paid within the deductible. These amounts will be payable within 30 days of written demand.

The INSURED will not be entitled to reimbursement of any amount paid as a deductible until WE have fully recovered all DAMAGES paid under this policy.

The INSURED will reimburse US all amounts held or recovered by the INSURED for any DAMAGES covered by this policy.

---

**SUBROGATION**

To the extent of any payment under this policy, WE will be subrogated to all of the INSURED's rights of recovery. The INSURED will do whatever is necessary to secure such rights. The INSURED will do nothing to prejudice these rights.

---

**ACTION AGAINST  
US**

No action shall lie against US unless:

- (1) The INSURED has fully complied with all the terms of this policy and
- (2) The amount of the INSURED's obligation to pay has been finally determined by judgment after trial and all appeals, if any, or by written agreement of the INSURED, the claimant and US.

No one may join US as a party to an action against the INSURED to determine the INSURED's liability under this policy. WE may not be impleaded by the INSURED. Bankruptcy or insolvency of the INSURED or his or her estate will not relieve US of any of OUR obligations.

---

**OTHER  
INSURANCE**

This policy is excess over any other insurance or other risk-shifting device including any automatic or optional extended reporting period, whether collectible or not, which provides insurance for such liability or CLAIM, whether the insurance is stated to be primary, pro rata contributory, excess, contingent or otherwise. Risk-shifting device includes, but is not limited to, self-insurance and other risk-sharing agreements.

This provision does not apply to other insurance written specifically to be excess of this policy.

**CANCELLATION  
OR NON-  
RENEWAL**

This policy may be canceled by:

- (1) The NAMED INSURED by giving US written notice stating when thereafter cancellation is to be effective. Ninety percent of the pro-rata unearned premium will be returned to the INSURED.
- (2) US with ten days written notice for non-payment of premium. WE will give The NAMED INSURED notice of premium due and the date due at least ten days before the effective cancellation date.

WE may cancel this policy during the term of the policy with 60 days written notice in accordance with state statutes regulating mid-term cancellation.

OUR written notice will be made by first class mail addressed to the NAMED INSURED shown in Item 1 of the declarations or by delivery to the NAMED INSURED'S last known address. The effective date of cancellation stated in the notice will become the end of the POLICY PERIOD. Earned premiums will be computed pro-rata. Premium adjustments will be made as soon as practicable. OUR tender of unearned premium is not a precondition of cancellation.

WE may non-renew for any reason or no reason on 60-days notice prior to the expiration of this policy. Changes in terms available on renewal will not be deemed to be a non-renewal of the policy.

---

**REPRESENTATION  
IN APPLICATION**

The application for coverage is a part of this policy.

By acceptance of this policy the INSURED agrees:

- (1) the statements in the application are the representations of all INSUREDS;
- (2) such representations are material as this policy is issued in reliance upon the truth of such representations; and
- (3) this policy embodies all of the agreements between the INSURED, US and/or OUR agent.

---

**CHANGES**

The terms of this policy shall not be waived or changed, except by written endorsement provided by US.

Any additions to or deletions from the attorneys named in the application must be reported to US in writing within 30 days of the change. In the event of any such changes WE reserve the right to re-evaluate the risk and, at OUR option, take appropriate underwriting actions.

Any premium adjustments will be made on a pro-rata basis.

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**ASSIGNMENT**

The INSURED may not assign this policy to any other person or entity.

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**MUTUAL POLICY  
CONDITIONS**

The NAMED INSURED is a member of Minnesota Lawyers Mutual Insurance Company and shall participate in the distribution of dividends, to the extent and upon the conditions fixed and determined by the Directors.

The NAMED INSURED has one vote by virtue of this policy in the election of the Directors of Minnesota Lawyers Mutual Insurance Company.

Policyholders are not assessable for the debts and obligations of the Company.

---

**NOTICE OF  
ANNUAL  
MEETING**

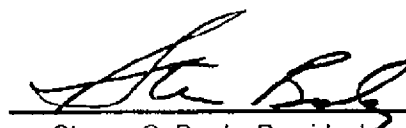
The policyholder named herein is hereby notified that while this policy is in force, he, she or it is by virtue hereof a member of Minnesota Lawyers Mutual Insurance Company and that the annual meeting of said company is held at the same time and place of the annual convention of the Minnesota State Bar Association. The policyholder is the NAMED INSURED.

---

*In witness thereof, WE caused this policy to be executed and attested.*

By

  
\_\_\_\_\_  
John J. Bowden, Secretary

  
\_\_\_\_\_  
Steven G. Brady, President



# MINNESOTA LAWYERS MUTUAL

INSURANCE COMPANY

Named Insured		Endorsement Number
Policy Number	Policy Period	Effective Date of Endorsement
The above information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.		

## ADDITIONAL INSURED ENDORSEMENT

The term INSURED includes the following individual(s), solely for PROFESSIONAL SERVICES while acting on behalf of the NAMED INSURED:

**Leonard E. Dimare**

Words and phrases that appear in **all capital letters** have special meaning.  
Please refer to the *Definitions* section of the policy.



# MINNESOTA LAWYERS MUTUAL

INSURANCE COMPANY

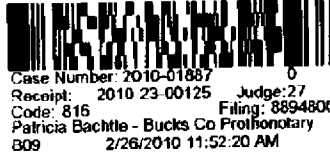
## Pennsylvania Application Addendum

This form is included as part of the application to comply with Pennsylvania Section 4117(k) (1) of Act 165 of 1994.

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

## MEDIATION

Hinman, Howard & Kattell, LLP  
Wendy M. Schneider, Esquire  
Attorney I.D. No.: PA 91077  
321 Spruce Street  
Bank Towers Bldg., Ste. 705  
Scranton, PA 18503  
Tel: (570) 558-5931  
Fax: (570) 558-5936  
Email: wschneider@hhk.com



*Attorneys for Plaintiff*

RONALD A. LEVENE,  
4670 Redeux Ct.  
Doylestown, PA 18902  
Plaintiff

vs.

MAZULLO & MURPHY, PC,  
ANTHONY J. MAZULLO, JR., ESQUIRE,  
CHRISTOPHER MAZULLO, ESQUIRE,  
KEVIN J. MURPHY, ESQUIRE and  
CHRISTOPHER P. KELLY, ESQUIRE,  
77 West Court Street  
Doylestown, PA 18901

Defendants

: IN THE COURT OF COMMON PLEAS OF  
: BUCKS COUNTY, PENNSYLVANIA

: CIVIL ACTION - LAW  
: PROFESSIONAL NEGLIGENCE

: JURY TRIAL DEMANDED

: NO.: \_\_\_\_\_ - CV - \_\_\_\_\_

### NOTICE TO DEFEND

You have been sued in court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this complaint and notice are served, by entering a written appearance personally or by attorney and filing in writing with the court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so the case may proceed without you and a judgment may be entered against you by the court without further notice for any money claimed in the complaint or for any other claim or relief requested by the plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW. THIS OFFICE CAN PROVIDE YOU WITH INFORMATION ABOUT HIRING A LAWYER.

IF YOU CANNOT AFFORD TO HIRE A LAWYER, THIS OFFICE MAY BE ABLE TO PROVIDE YOU WITH INFORMATION ABOUT AGENCIES THAT MAY OFFER LEGAL SERVICES TO ELIGIBLE PERSONS AT A REDUCED FEE OR NO FEE.



**Lawyer Referral Service of the Bucks County Bar Association**

135 E. State St., P.O. Box 300

Doylestown, PA 18901

Tel: (215) 348-9413, Ext. 102

Toll Free: 888-991-9922

**AMERICANS WITH DISABILITIES ACT OF 1990**

The Court of Common Pleas of Bucks County is required by law to comply with the Americans with Disabilities Act of 1990. For information about accessible facilities and reasonable accommodations available to disabled individuals having business before the Court, please contact our office. All arrangements must be made at least 72 hours prior to any hearing or business before the Court. You must attend the scheduled conference or hearing.

Hinman, Howard & Kattell, LLP  
Wendy M. Schnelder, Esquire  
Attorney I.D. No.: PA 91077  
321 Spruce Street  
Bank Towers Bldg., Ste. 705  
Scranton, PA 18503  
Tel: (570) 558-5931  
Fax: (570) 558-5936  
Email: wschnelder@hhk.com

*Attorneys for Plaintiff*

RONALD A. LEVENE,  
4670 Redeux Ct.  
Doylestown, PA 18902  
Plaintiff

vs.

MAZULLO & MURPHY, PC,  
ANTHONY J. MAZULLO, JR., ESQUIRE,  
CHRISTOPHER MAZULLO, ESQUIRE,  
KEVIN J. MURPHY, ESQUIRE and  
CHRISTOPHER P. KELLY, ESQUIRE,  
77 West Court Street  
Doylestown, PA 18901

Defendants

: IN THE COURT OF COMMON PLEAS OF  
: BUCKS COUNTY, PENNSYLVANIA

: CIVIL ACTION - LAW  
: PROFESSIONAL NEGLIGENCE

: JURY TRIAL DEMANDED

: NO.: \_\_\_\_\_ - CV - \_\_\_\_\_

---

**COMPLAINT**

AND NOW comes Plaintiff, Ronald A. Levene, by and through his counsel,  
Hinman, Howard & Kattell, LLP, and files this Complaint against the above-captioned  
defendants and avers as follows:

**PARTIES**

1. Plaintiff, Ronald A. Levene, is a competent adult individual residing at  
4670 Redeux Court, Doylestown, Bucks County, Pennsylvania.
2. Defendant, Mazullo & Murphy, PC ("Firm"), is a law firm with a principal  
place of business located at 77 West Court Street, Doylestown, Bucks County,  
Pennsylvania.

3. Defendant, Anthony J. Mazullo, Esquire ("A. Mazullo"), is an attorney licensed to practice law in the Commonwealth of Pennsylvania and who is believed and averred to be a shareholder, partner and/or member of Defendant Firm with a principal place of business located at 77 West Court Street, Doylestown, Bucks County, Pennsylvania.

4. Defendant, Christopher Mazullo, Jr., Esquire ("C. Mazullo"), is an attorney licensed to practice law in the Commonwealth of Pennsylvania and who is believed and averred to be a shareholder, partner and/or member of Defendant Firm with a principal place of business located at 77 West Court Street, Doylestown, Bucks County, Pennsylvania.

5. Defendant, Kevin J. Murphy, Esquire ("Murphy"), is an attorney licensed to practice law in the Commonwealth of Pennsylvania and who is believed and averred to be a shareholder, partner and/or member of Defendant Firm with a principal place of business located at 77 West Court Street, Doylestown, Bucks County, Pennsylvania.

6. Defendant, Christopher P. Kelly, Esquire ("Kelly"), is an attorney licensed to practice law in the Commonwealth of Pennsylvania and who is believed and averred to be a member of Defendant Firm with a principal place of business located at 77 West Court Street, Doylestown, Bucks County, Pennsylvania.

#### **BACKGROUND**

7. On or about Friday, May 16, 2008, Plaintiff first met Roman R. Fitzmartin at which time Fitzmartin offered Plaintiff an investment opportunity involving Doylestown Investment Group, LLC (DIG) projects.

8. On June 25, 2008, Plaintiff entered into an Investment Agreement (Agreement) with Doylestown Investment Group, LLC (DIG) and Roman R. Fitzmartin. (See a true and correct copy of the Agreement attached hereto as Exhibit A.)

9. Pursuant to the Agreement, Plaintiff invested \$100,000.00 with DIG and Fitzmartin in exchange for six percent (6%) of DIG's Class B Limited Partner Interest in Doylestown Retail Partners, LP (DRP), a guaranteed return of the full investment plus 15% (\$115,000.00) on or before December 12, 2008, and a personal guarantee from Fitzmartin for the \$115,000.00.

10. In reliance upon the promises, assurances, information provided to Plaintiff to induce him to invest, and the Agreement and attachments, Plaintiff wire transferred \$100,000.00 into DRP's account at Commerce Bank in Doylestown, Pennsylvania.

11. On or about January 20, 2009, Fitzmartin filed a Chapter 7 No Asset Bankruptcy Petition with the U.S. Bankruptcy Court for the Eastern District of Pennsylvania, case No. 09-10373-BIF. The bankruptcy case is still open.

12. On or about December 3, 2009, Fitzmartin was indicted in the U.S. District Court for the Eastern District of Pennsylvania for two (2) Counts of mail fraud stemming from a scheme whereby he defrauded investors by falsely promising them an equity interest in various real estate projects and converting to his own use proceeds of real estate sales that should have been paid to investors.

13. The investment scheme Plaintiff invested in is the same in nature and pattern as those schemes for which Fitzmartin was indicted; Plaintiff was supposedly investing in the development of a shopping center on Main Street, Doylestown, PA.

14. At all relevant times hereto, Defendants acted by and on behalf of Fitzmartin, DIG, and DRP as their agent, servant, representative, officers and/or employees, and in particular their legal counsel and investment partners.

15. It is believed and averred that for some period of time prior to and at all times relevant to this matter, and more particularly during the months of May 2008 through December 2008, at least one or all of the named defendants were business associates, investors, and/or partners with Fitzmartin, DIG, and DRP.

16. Defendants, Fitzmartin, DIG, DRP and Fitzmartin's other entities share the same business address. Further, upon information and belief, Plaintiff avers that in order for Fitzmartin to enter the business office space of his various entities, including DIG and DRP, Fitzmartin and the visiting public must walk through Defendant's offices.

17. It is believed and averred that Defendants, as legal counsel and/or as agent, servant, representative, officers and/or employees, for Fitzmartin, DIG, and DRP, drafted the Agreement, personal guarantee of Fitzmartin, Certificate of Ownership, and Authorizing Resolution as appended to the Agreement and attached hereto as part of Exhibit A.

18. On or about April 11, 2007, the Pennsylvania Securities Commission issued a Summary Order to Cease and Desist against Fitzmartin and DIG to halt the offer and sale of unregistered securities in Pennsylvania. (See attached Exhibit B.)

19. Upon information and belief, Plaintiff avers that Defendants had full knowledge of the aforementioned Cease and Desist Order prior to the time Plaintiff was offered the investment opportunity and invested money with DIG and Fitzmartin.

20. The Cease and Desist Order is still in effect and has continuously been in effect from the date of issue through and including the current date, and/or at all relevant times herein.

21. During the course of discussions between Plaintiff and Fitzmartin, individually and on behalf of DIG, pertaining to the offered investment, Defendants are believed and therefore averred to have had full knowledge of the proposed transaction.

22. At no time during the discussion and drafting of the Agreement and appended documents did Defendants disclose to Plaintiff, either directly or through Plaintiff's personal counsel, the existence of the Cease and Desist Order.

23. At no time during the discussion and drafting of the Agreement and appended documents did Defendants disclose to Plaintiff, either directly or through Plaintiff's personal counsel, the fact that at least one or all of the defendants were investors, partners, and/or business associates of Fitzmartin and/or DIG, other than as legal counsel for Fitzmartin, DIG, and/or DRP.

24. It is believed and averred that neither Fitzmartin nor Defendants, as legal counsel for Fitzmartin, DIG and DRP, complied with the Pennsylvania Securities Act of 1972 registration requirement, 70 P.S. §1-201, et seq., for the registration of any of the securities offered and sold to Plaintiff.

25. At no time during the discussion and drafting of the Agreement and appended documents did Defendants disclose to Plaintiff, either directly or through Plaintiff's personal counsel, the fact that the securities offered for sale and subject to the Agreement had not been registered as required pursuant to the Pennsylvania Securities

Act and, in fact, were unregistered securities of the same nature and type subject to the Cease and Desist Order previously issued by the Pennsylvania Securities Commission.

26. In order to induce Plaintiff to invest in the real estate scheme, Fitzmartin sent Plaintiff documents allegedly showing his personal and business financial status, cash flow projections, and values of the investment project's feasibility and investor return.

27. The aforementioned "financial" disclosures and projections were false and were created to solicit and induce Plaintiff to invest in the offered DIG project and purport to show significant investor returns.

28. At no time during the discussions and drafting of the Agreement and appended documents did Defendants disclose to Plaintiff, either directly or through Plaintiff's personal counsel, that the "financial disclosures" were false, a fact that they knew, or should have known because at least one or all of the defendants were investors, partners, and/or business associates of Fitzmartin, DIG and/or DRP.

29. It is believed and therefore averred that Defendants aided and abetted their client, Fitzmartin, individually and/or on behalf of his various real estate entities including DIG and DRP, in inducing Plaintiff to invest in these real estate investment schemes.

30. It is believed and therefore averred that Defendants aided and abetted Fitzmartin and DIG in misleading, coercing, and defrauding Plaintiff by inducing him under false pretenses and by use of false information to invest \$100,000.00 in exchange for an equity interest in one of their clients' multiple companies, all of which

were formed for the purposes of hiding the flow of cash and the investment schemes being carried out.

31. Defendants, as counsel to Fitzmartin, DIG, DRP and Fitzmartin's other various fraudulently operated entities, prepared the Investment Agreement, Certificate of Ownership Interest, Authorizing Resolution, and other related documents to be furnished to Plaintiff. These documents failed to make full, complete and adequate disclosure regarding various material issues associated with Fitzmartin, DIG, and DRP. Among the omitted disclosures was the Cease and Desist Order, the fact that the offered securities were unregistered and of the same nature and/or type subject to the Cease and Desist Order, the fact that Fitzmartin was providing fictitious financial disclosures, and that at least one or all of the defendants were and/or are investors and had a personal financial interest in inducing Plaintiff to invest his \$100,000.00.

32. Defendants knew, or should have known as agent, servant, representative, officers and/or employees, and in particular as legal counsel and investment partners with Fitzmartin and Fitzmartin's various entities, that the promise of a return to Plaintiff in the amount of \$115,000.00 on or before December 12, 2008, was made without the intention of ever being met and that Plaintiff was never going to receive any money in return for the "investment".

33. The omissions regarding the Cease and Desist Order, the unregistered status of the offered securities, the fictitious financial disclosures, and Defendants' personal financial interest in the investment were material, as were other acts and omissions detailed in this Complaint.



34. Defendants committed similar acts and omissions previously, as alleged in an Adversary Complaint, and underlying complaints attached thereto as exhibits, filed in the Fitzmartin bankruptcy proceedings. Plaintiff hereby incorporates by reference these complaints and allegations as stated, particularly as against one or all of these above-named Defendants.

35. Defendants, as attorneys, had a duty to Plaintiff to use due diligence to assure that the documents prepared by them and information used in conjunction with offering investment securities (i.e. ownership interests in Fitzmartin's various entities) fully disclosed all material facts related to the investment offering, and not to omit the disclosure of any material facts Plaintiff needed in order to make an informed investment decision.

36. Defendants had a duty, as attorneys, to comply with the Pennsylvania Rules of Professional Conduct, and in particular, Rule 4.1 requiring truthfulness in statement to others.

37. Defendant, by failing to make full, fair and adequate disclosure of all material facts in the various investment documents and information related to the investment offerings, failed in their duty to make adequate disclosure to Plaintiff, thereby aiding and abetting their client's actions in misleading, coercing and defrauding Plaintiff.

38. Defendants sold, assisted, and/or aided and abetted their clients in the sale of securities to Plaintiff as defined in Section 102(t), 70 P.S. § 1-102(t) of the Pennsylvania Securities Act of 1972, as amended, 70 P.S. § 1-101, et seq. ("Pa. Securities Act").

39. Defendants engaged in acts and omissions of material facts and the making or concealing the making of untrue statements of material facts by their partner and clients, all of which were intended to further the sale of unregistered securities and to further the investment scheme.

40. The manipulative, false, and deceptive acts and omissions committed by Defendants induced Plaintiff into investing/purchasing the subject security.

41. Defendants are believed and therefore averred to have financially benefited from and received all or a portion of Plaintiff's \$100,000.00 investment.

42. Defendants, with the intent to deceive, manipulate or defraud, knowingly and/or recklessly made and allowed to be made untrue statements and omissions of material facts in the financial disclosures, communications, and documents prepared by Defendants. Such conduct is so malicious, willful, shocking, outrageous, in bad faith, and beyond the norm of society as to allow for the award of punitive damages.

43. Plaintiff justifiably relied upon the untrue statements and omissions of material facts in making his decision to invest his \$100,000.00.

44. Plaintiff justifiably relied upon the expected ethics, honesty and integrity of Defendants, as officers of the Courts of this Commonwealth, in accepting the documents and information provided to Plaintiff to induce him to invest.

45. Plaintiff would not have invested his \$100,000.00 with Fitzmartin, DIG, DRP, and by extension these Defendants, had he been provided with actual and true financial disclosures, been advised of the Cease and Desist Order, and would have not relied on Defendant's positions as officers of the Court if it was revealed they were investors, partners and had a personal financial interest in the investment deal.

**COUNT I**

**Violation of 70 P.S. § 1- 501 of the Pennsylvania Securities Act of 1972**

46. Plaintiff hereby refers to and incorporates paragraphs 1 – 45 above as though fully set forth.

47. Defendants engaged in acts and omissions of material facts and the making or concealing the making of untrue statements of material facts by their partner and clients, all of which were intended to further the sale of unregistered securities and to further the investment scheme in violation of Sections 401, 403, and 404 of the Pa. Securities Act, 70 P.S. § 1-401, 1-403, and 1-404.

48. Pursuant to Section 1 – 501 of the Pa. Securities Act, violations of the aforementioned sections subject Defendants to civil liability and Plaintiff is entitled to recover damages sustained as a result, plus interest from the date of payment.

49. As a direct and proximate result, Plaintiff has suffered, sustained and will continue to sustain damages in and amount in excess of \$100,000.00.

WHEREFORE, Plaintiff, Ronald A. Levene, respectfully requests this Honorable Court enter judgment in favor of Plaintiff and against Defendants in a sum in excess of One Hundred Thousand Dollars (\$100,000.00), plus interest, costs and such other relief as the Court deems necessary and/or proper.

**COUNT II**

**Liability of Defendants to Plaintiff pursuant to 70 P.S. § 1 – 503 of the  
Pennsylvania Securities Act of 1972**

50. Plaintiff hereby refers to and incorporates paragraphs 1 – 45 above as though fully set forth.

51. Defendants are affiliated with, partners with, and/or employed by Fitzmartin, DIG, DRP, and other various entities of Fitzmartin used for the purposes of effecting the investment schemes to defraud investors, and in particular this Plaintiff.

52. Fitzmartin, DIG, DRP, and Defendants as investors, are liable for violations committed under Sections 1-501 and 1-502 of the Pa. Securities Act.

53. Defendants, as legal counsel for Fitzmartin, DIG and DRP materially aided in the acts and/or transactions constituting the violations of Sections 1-501 and/or 1-502 and are therefore liable to Plaintiff for his losses under Section 1-503, 70 P.S. § 1-503 of the Pa. Securities Act.

WHEREFORE, Plaintiff, Ronald A. Levene, respectfully requests this Honorable Court enter judgment in favor of Plaintiff and against Defendants in a sum in excess of One Hundred Thousand Dollars (\$100,000.00), plus interest, costs and such other relief as the Court deems necessary and/or proper.

### **COUNT III**

#### **Professional Negligence**

54. Plaintiff hereby refers to and incorporates paragraphs 1 – 53 above as though fully set forth.

55. Defendants owed a duty to Plaintiff to ensure that full and fair disclosures were made in offering the subject investment opportunity and in drafting attendant documents to induce and complete the investment.

56. Defendants, as attorneys, have a legal, moral, and ethical duty not to aid their clients in the commission of a crime or engage in other illegal activity.

57. In particular, Defendants violated Pennsylvania Rule of Professional Conduct 4.1 regarding truthfulness in statements to others, which states:

In the course of representing a client a lawyer shall not knowingly:

(a) make a false statement of material fact or law to a third person; or

(b) fail to disclose a material fact to a third person when disclosure is necessary to avoid aiding and abetting a criminal or fraudulent act by a client, unless disclosure is prohibited by Rule 1.6. (*See Pa. R.P.C. 4.1*)

58. Pennsylvania Rule of Professional Conduct 1.6 does not apply to the material facts Defendants were required to disclose to Plaintiff in this transaction.

59. Defendants breached their duty, as more fully set forth above, and committed professional negligence.

60. Defendants breach of duty and negligence proximately caused Plaintiff's damages in excess of \$100,000.00.

61. Defendants' actions were willful, intentional, reckless and in total disregard for the rights of Plaintiff.

WHEREFORE, Plaintiff, Ronald A. Levene, respectfully requests this Honorable Court enter judgment in favor of Plaintiff and against Defendants in a sum in excess of One Hundred Thousand Dollars (\$100,000.00), plus interest, attorneys fees, costs, punitive damages and such other relief as the Court deems necessary and/or proper.

#### **COUNT IV**

##### **Misrepresentation by Omission**

62. Plaintiff hereby refers to and incorporates paragraphs 1 – 61 above as though fully set forth.

63. Defendants, as counsel for Fitzmartin, DIG and DRP, owed a duty to Plaintiff to ensure that full and fair disclosures were made in offering the subject investment opportunity and in drafting attendant documents to induce and complete the investment.

64. Defendants breached that duty by negligently or intentionally omitting from disclosure material facts as more fully set forth above, including failure to advise of the Cease and Desist Order, failure to advise that the offered securities were unregistered and subject to the Cease and Desist Order, failure to advise of their own personal status as investors and financially interested individuals, and failure to advise that the financial information provided to induce this investment was fictitious and created solely for the purposes of tricking Plaintiff into investing large sums of money in the real estate investment scheme.

65. Defendants' breach of their duty, by omitting material facts and aiding and abetting their client's fraudulent acts, was committed with the intent that Plaintiff would rely on the false and/or incomplete information provided.

66. Plaintiff in fact relied upon the false and/or incomplete information provided by Defendants and/or their clients.

67. Defendants' breach of their duty, by omitting material facts, aiding and abetting their client's illegal and fraudulent scheme, induced Plaintiff to invest \$100,000.00 with Fitzmartin and DIG.

68. Defendant's breach proximately caused Plaintiff damages in excess of \$100,000.00.

69. Defendants' misrepresentations, acts, and omissions, committed while holding themselves out to be legal counsel and officers of the Court on behalf of Fitzmartin, DIG and DRP, were willful, intentional, reckless, in total disregard of the rights of Plaintiff, and made with the intent to trick, defraud, and/or aid in the trickery and defrauding committed against Plaintiff and to Plaintiff's substantial financial loss.

WHEREFORE, Plaintiff, Ronald A. Levene, respectfully requests this Honorable Court enter judgment in favor of Plaintiff and against Defendants in a sum in excess of One Hundred Thousand Dollars (\$100,000.00), plus interest, attorneys fees, costs, punitive damages and such other relief as the Court deems necessary and/or proper.

Respectfully submitted,  
Hinman, Howard & Kattell, LLP

A handwritten signature in black ink, appearing to read "Wendy M. Schneider", is written over a horizontal line.


Wendy M. Schneider, Esquire  
Attorneys for Plaintiff, Ronald A. Levene

**VERIFICATION**

I, RONALD A. LEVENE, hereby verify and state that the facts set forth in the foregoing COMPLAINT are true and correct to the best of my information, knowledge and belief. I understand that the statements made herein are subject to the penalties of 18 Pa. C.S. §4904, relating to unsworn falsification to authorities.

Date:

1/20/10

  
RONALD A. LEVENE



## INVESTMENT AGREEMENT

This Investment Agreement (the "Agreement") is made this 17th day of June 2008, between and among Ronald A. Levene ("Levene"), Individual, and **Doylestown Investment Group, LLC** ("DIG"), a Pennsylvania Limited Liability Corporation with an office located at 77 West Court Street, Doylestown, Pennsylvania 18901.

### WITNESSETH

WHEREAS, DIG was formed on or about April 1, 2003 for the purpose of ownership, development, leasing and sale of real estate, and DIG has facilitated the purchase of several parcels of real estate since its formation;

WHEREAS, DIG, upon purchase, does not take title to the real estate but rather creates and establishes Pennsylvania limited partnerships to hold title to each individual real estate project;

WHEREAS, DIG seeks capital contributions from Pennsylvania residents in exchange for Class A limited partnership interests in said Pennsylvania limited partnerships;

WHEREAS, DIG retains an interest in said Pennsylvania limited partnerships as the sole Class B Limited Partner;

WHEREAS, Doylestown Retail Partners, LP ("DRP"), is a duly formed Pennsylvania Limited Partnership, in which DIG is the sole Class B Limited Partner and in which another DIG affiliated entity, DIG Management, Inc., is the General Partner;

WHEREAS, DIG's Class B Limited Partner interest in DRP is Forty percent (40%);

WHEREAS, the parties hereto desire to enter into a written agreement with Levene as the purchaser and DIG as the seller and DIG, through its sole member, Roman Fitzmartin ("Fitzmartin"), has agreed to sell Six Percent (6%) of its Class B Limited Partner interest in DRP to Levene in consideration for the sum of \$100,000.00;

WHEREAS, the parties desire to enter into this Agreement in order to effectuate the above indicated purposes and to establish their respective rights, obligations, duties and liabilities in connection with this transaction; and

**NOW THEREFORE**, the signatories to this Agreement, intending to be legally bound, agree as follows:

1. Contemporaneously with the execution of this Agreement, Levene will forward to DIG the sum of One Hundred Thousand Dollars (\$100,000) in exchange for Six Percent (6%) of DIG's Class B Limited Partner Interest in DRP. DIG will issue to Levene a Certificate of Ownership to Levene for Six Percent (6%) of DIG's Class B Limited Partner Interest in DRP. The Certificate of Ownership shall be in a form consistent with EXHIBIT A appended hereto and incorporated herein by reference.



2. DIG agrees that it will repurchase from Levene the Six Percent (6%) Class B Limited Partner Interest in DRP for the sum of One Hundred Fifteen Thousand Dollars (\$115,000) on or before December 12, 2008. Roman Fitzmartin personally guarantees the payment of One Hundred Fifteen Thousand Dollars (\$115,000) to Levene on or before December 12, 2008.

3. Transfer of Limited Partner interest in DRP. Contemporaneously with the payment of the sum of \$115,000 to Levene by DIG and Fitzmartin, Levene shall execute a document in a form consistent with EXHIBIT B appended hereto and incorporated herein by reference, evidencing the payment in full for the repurchase, and the transfer of Levene's Class B Limited Partner Interest in DRP back to DIG.

4. Good Faith. Fitzmartin acknowledges and agrees that during the period of time that Levene holds a limited partnership interest in DRP, he will not undertake any action that will adversely affect the equity position that DIG currently maintains in DRP and will not undertake any action inconsistent with the DRP Limited Partnership Agreement.

5. Fitzmartin warrants that he has the full authority to enter into this Agreement, and that there are no prohibitions against such action by Fitzmartin as the sole member of DIG.

3. DIG and DIG Management, Inc., warrant that they, through their duly constituted agents, servants or employees, have full authority to enter into and bind DIG and DIG Management, Inc. to the terms and conditions of this Agreement.

7. All parties stipulate and agree to execute any and all documents required by either party to effectuate the terms and conditions of this Agreement.

8. This Agreement shall extend to and be binding upon the heirs, administrators, executors and assigns of the parties to this Agreement.

9. Notices. All notices, requests, consents and other communications which may or are required to be given under or with respect to Agreement shall be in writing, shall be given either by personal delivery (including overnight carrier) or by mail, facsimile transmission or similar means of communication, and shall be deemed to have been given or made when personally delivered, and otherwise when received, addressed to the respective parties as follows:

A. If to Ronald A. Levene:

Ronald A. Levene  
RR1 Box 1649  
Ducktown, PA  
18812

B. If to Doylestown Investment Group, LLC:

Doylestown Investment Group, LLC  
77 West Court Street  
Doylestown, Pennsylvania 18901  
Attention: Roman R. Fitzmartin, President

or to such other address as any party to this Agreement may from time to time designate by notice given in accordance with the requirements of this ¶5 with respect to future notices and communications.

10. Amendments and Waivers. No amendment of this Agreement and no waiver of any performance due pursuant to it shall be valid unless such amendment or waiver is in writing, signed by all parties to this Agreement.

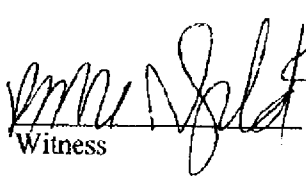
11. Assignment. This Agreement may not be assigned by any party hereto and any attempted assignment shall be void.

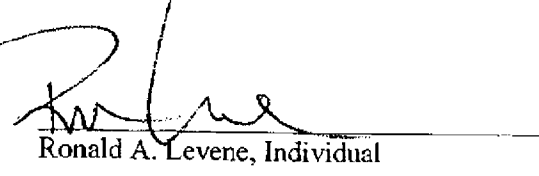
12. Interpretation. All parties to this Agreement have participated jointly in its negotiation and drafting. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by all parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party to this Agreement because of the authorship of any of the provisions of this Agreement. The rights and remedies expressly specified in this Agreement are cumulative and are not exclusive of any rights or remedies which any party would otherwise have. The section headings hereof are for convenience only and shall not affect the meaning or interpretation of this Agreement. However, the "WHEREAS" clauses shall be considered an integral part of this Agreement.

13. Integration: Counterparts. This Agreement constitutes the entire agreement between and among the parties and supersedes any prior understanding, agreements or representations by or between the parties, written or oral, to the extent they relate to the subject matter hereof. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

14. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without giving effect to any choice or conflict of law provision or rule (whether of the Commonwealth of Pennsylvania or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the Commonwealth of Pennsylvania.

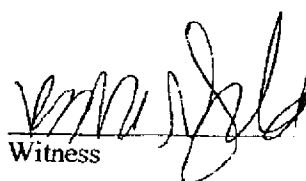
IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have executed this Agreement in Bucks County, Pennsylvania.

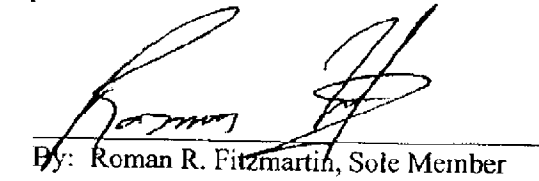
  
Witness

  
Ronald A. Levene, Individual

6-25-08  
Date

Doylestown Investment Group, LLC

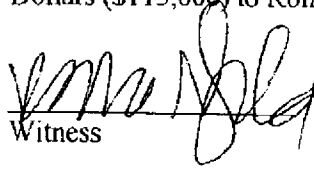
  
Witness

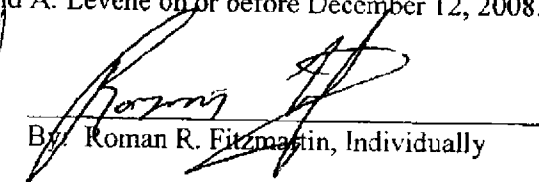
  
By: Roman R. Fitzmartin, Sole Member

6-25-08  
Date

Roman R. Fitzmartin, Individually

I, the undersigned, personally guarantee the payment of One Hundred Fifteen Thousand Dollars (\$115,000) to Ronald A. Levene on or before December 12, 2008.

  
Witness

  
By: Roman R. Fitzmartin, Individually

6-25-08  
Date

EXHIBIT A

**DOYLESTOWN RETAIL PARTNERS, LP**  
**ORGANIZED UNDER THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA**  
**LIMITED PARTNERSHIP OWNERSHIP INTEREST**

THIS CERTIFIES THAT RONALD A. LEVENE is the owner of SIX PERCENT (6%) Class B Limited Partnership Interest in DOYLESTOWN RETAIL PARTNERS, LP, a Pennsylvania Limited Partnership, which has been formed under the terms and conditions of the Pennsylvania Revised Uniform Limited Partnership Act of 1988. This Certificate, or the interest it represents, may not be negotiated, sold, transferred, assigned, hypothecated, pledged, encumbered or otherwise disposed of in any manner whatsoever except in compliance with all applicable securities laws. In addition, the Interest is subject to the substantial restrictions upon transfer under the Limited Partnership Agreement and may not be transferred except as provided therein. The Limited Partnership Interest is transferable only on the books of the Limited Partnership.

IN WITNESS WHEREOF, the Limited Partnership has caused this certificate to be signed by an Authorized person this 25<sup>th</sup> day of JUNE, 2008.

BY:

  
AUTHORIZED SIGNATURE

**AUTHORIZING RESOLUTION**  
**Doylestown Retail Partners, LP**

The UNDERSIGNED, being the sole general partner of Doylestown Retail Partners, LP, a Pennsylvania Limited Partnership (the "Limited Partnership"), does hereby adopt the following resolution by unanimous written consent as though an actual meeting of the Limited Partnership was held on this date.

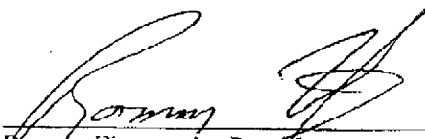
WHEREAS, Doylestown Investment Group, LLC ("DIG") proposes to enter into an Investment Agreement with Ronald A. Levene ("Levene") pursuant to which DIG has agreed to sell Six Percent (6%) of its Class B Limited Partner interest in DRP to Levene in consideration for the sum of \$100,000.00; and

WHEREAS, DIG has agreed that it will repurchase from Levene the Six Percent (6%) Class B Limited Partner Interest in DRP for the sum of One Hundred Fifteen Thousand Dollars (\$115,000) on or before December 12, 2008; it is hereby:

RESOLVED, that Roman Fitzmartin, President of DIG Management, Inc., be and is hereby authorized and directed to transfer the Class B Limited Partner interest in DRP to Levene and to take any and all further action which is necessary or desirable for the purpose of carrying out the transactions contemplated by the Investment Agreement.

IN WITNESS WHEREOF, we have hereunto set our hands and the seal of the Limited Partnership this 23rd day of June, 2008.

Doylestown Retail Partners, LP  
by DIG Management, Inc., its sole general partner

  
\_\_\_\_\_  
Roman Fitzmartin, President

**EXHIBIT B**

**WITHDRAWAL OF LIMITED PARTNER INTEREST**

I, Ronald A. Levene, hereby acknowledged receipt of the sum of One Hundred Fifteen Thousand (\$115,000) representing full repayment of the Investment made by me to Doylestown Retail Partners, LP on or about June 17th, 2008.

I hereby acknowledge the full withdrawal of my limited partner interest in Doylestown Retail Partners, LP and any rights associated with said interest.

\_\_\_\_\_  
Ronald A. Levene

\_\_\_\_\_  
Date

## PA SECURITIES COMMISSION ENFORCEMENT ACTIONS

A SEARCHABLE DATABASE OF ALL  
CEASE AND DESIST ORDERS  
AND FINAL ORDERS

PA Securities Commission Website

[BACK TO SEARCH RESULTS](#)

[BACK TO SEARCH](#)

*For Immediate Release: 04/11/2007*

### **Commission Halts Unregistered Activity By Doylestown Investment Group, LLC and Roman Fitzmartin**

**Harrisburg, PA, 04/11/2007** — The Pennsylvania Securities Commission issued a Summary Order to Cease and Desist against Doylestown Investment Group, LLC (DIG) and Roman Fitzmartin (Fitzmartin) to halt the offer and sale of unregistered securities in Pennsylvania. MIC, an entity with an address in Doylestown, Pennsylvania, is purportedly in the business of purchasing, developing, and managing various real estate properties, and maintains a web site at [www.digdevelopers.com](http://www.digdevelopers.com) (Web Site). Fitzmartin, an individual with an address in Doylestown, Pennsylvania, was the president of DIG.

In or about March 2007, DIG placed an advertisement (Ad) in the classified section of a Pennsylvania newspaper. The Ad was in the "Business Opportunity" section and stated: "BEST BUSINESS OPPORTUNITY. REAL ESTATE INVESTORS WANTED. Private developer in PA Suburbs. Currently 85 investors, \$15M assets...Call Roman Fitzmartin...[www.digdevelopers.com](http://www.digdevelopers.com)".

In or about March 2007, at least one Pennsylvania resident (PA Resident) read the Ad and called the phone number listed for Fitzmartin.

In or about March 2007, Fitzmartin spoke with at least one PA Resident and stated that DIG is raising money from investors in order to purchase or construct various real estate properties (Properties), which DIG then renovates and either resells or rents for a profit.

In or about March 2007, DIG sent offering materials (Materials) via e-mail to at least one PA Resident. The Materials and Web Site state that: DIG is offering for sale the DIG Interests to investors who are "seeking an opportunity to help enhance the community" and at the same time obtain a "great opportunity for profitable returns"; each time DIG acquires one of the Properties, DIG forms a new limited partnership, and offers the DIG Interests to both new and existing investors (who have the right of first refusal for each new offering); the limited partnerships vary in the monetary amounts raised and number of investors in each, depending on the size and costs of each of the Properties; DIG serves as the general partner of each of the limited partnerships, and each of the investors receives a portion of the proceeds from the eventual sale or lease of the Properties, in proportion to the amount of DIG Interests they have purchased; through the sale of the DIG Interests, DIG has raised at least \$1,100,000 from at least 30 investors and DIG is currently offering for sale \$990,000 in DIG Interests in one of the Properties, with a minimum investment of \$50,000, and an estimated eight year return on investment of 11%.

In or about March 2007, DIG offered for sale the DIG Interests to at least one PA Resident.

The Commission directed the Respondents to stop offering or selling the DIG Interests in the Commonwealth of Pennsylvania in violation of the 1972 Act, and in particular Section 201, thereof.

Any further solicitations or sales made by these respondents in Pennsylvania will constitute violations of the 1972 Act and the Commission's Orders. Any person who is solicited by or has information about these respondents is asked to immediately notify the Pennsylvania Securities Commission by calling 800-600-0007, or, in Harrisburg: (717) 787-8062, in Pittsburgh: (412) 565-5083 or in Philadelphia: (215) 560-2068.

*Alternate formats of this release may be available on request;  
call 717/787-1165.*



Name	Areas	Address	Phone	Email
Maria Judith Rodriguez-Martyak	Family	114 North Main Street PO Box 911 Doylestown, PA 18901-0911	215-230-9744	<a href="mailto:judyrmartvak@att.net">judyrmartvak@att.net</a>
Deborah A. Romanski	Civil, Med-Mal, Personal Injury	87 North Broad Street Doylestown, PA 18901	215-348-7700	<a href="mailto:dromanski@mellonwebster.com">dromanski@mellonwebster.com</a>
Susan R. Rudman	Civil, Family	40 East Court Street Doylestown, PA 18901	215-348-3183	<a href="mailto:Rudman@icde.com">Rudman@icde.com</a>
Thomas B. Salzer	Commercial, Med-mal	5 Averstone Drive Washington Crossing, PA 18977	267-980-4748	<a href="mailto:tandcsalzer@earthlink.net">tandcsalzer@earthlink.net</a>
Susan B. Smith	Real Estate, Business/Estate, Domestic, Border Issues, Landlord/Tenant	46 Milltown Road Stockton, NJ 08559	908-996-2181	<a href="mailto:sbsmithesquire@earthlink.net">sbsmithesquire@earthlink.net</a>
Hon. Leonard H. Sokolove	Civil, Family, Orphan's Court, Med-Mal, Real Estate	60 East Court Street Doylestown, PA 18901	215-345-7000	<a href="mailto:lsokolove@eastburngray.com">lsokolove@eastburngray.com</a>
Tracy A. Timby	Civil, Family, Employment, Real Estate	110 North State Street Newtown, PA 18940	215-968-6886	<a href="mailto:tracytimby@timbyhunt.com">tracytimby@timbyhunt.com</a>
Samuel C. Totaro, Jr.	Orphan's Court, Family, Civil, Business	87 North Broad Street Doylestown, PA 18901	215-348-7700	<a href="mailto:stotaro@mellonwebster.com">stotaro@mellonwebster.com</a>

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**\*\*MPP Coordinator is not accepting court appointments at this time**

Mediation requires the voluntary participation of all parties to submit a dispute to a mediator trained in resolving conflicts. You may apply for mediation at any time during litigation prior to arbitration or trial by contacting a mediator directly. If your case is mediated and not resolved, you may proceed directly to trial without proceeding to mandatory arbitration. The first two hours of mediation is \$300, split by each of the parties and paid directly to the mediator. Some cases may require additional time.

**Bucks County Court of Common Pleas  
Mediation Program  
Approved Attorneys  
Last Updated 7/11/2006**

<b>Name</b>	<b>Areas</b>	<b>Address</b>	<b>Phone</b>	<b>Email</b>
<b>Karen S. Burns</b>	<b>Personal injury, Med-mal, Contracts</b>	<b>7837 Old York Road Elkins Park, PA 19027</b>	<b>215-782-3900</b>	<b><u><a href="mailto:kburns@monaghanfortin.com">kburns@monaghanfortin.com</a></u></b>
<b>Mark D. Douple</b>	<b>Civil, Med-Mal Business, Municipal, Personal Injury</b>	<b>106 West Butler Ave. New Britain, PA 18901</b>	<b>215-345-8088</b>	<b><u><a href="mailto:goodwin-douple@comcast.net">goodwin-douple@comcast.net</a></u></b>
<b>Elliot M. Drexler</b>	<b>Civil, Family, Real Estate, Estates, Business</b>	<b>260 West Street Road Warminster, PA 18974</b>	<b>215-674-0700</b>	<b><u><a href="mailto:Emd260@aol.com">Emd260@aol.com</a></u></b>
<b>Gary Gilman</b>	<b>Civil, Med-Mal, Personal Injury</b>	<b>547 East Washington Ave. Newtown, PA 18940</b>	<b>215-968-3900</b>	<b><u><a href="mailto:ggilman@sgslegal.com">ggilman@sgslegal.com</a></u></b>
<b>Harry J. Glosser</b>	<b>Civil, Family, Business, Municipal</b>	<b>311 Bridge Street Morrisville, PA 19067</b>	<b>215-736-2589</b>	<b><u><a href="mailto:hglosseresq@aol.com">hglosseresq@aol.com</a></u></b>
<b>Elissa C. Goldberg</b>	<b>Family</b>	<b>18 North Main St. 2nd Fl. Doylestown, PA 18901</b>	<b>215-345-5279</b>	<b><u><a href="mailto:Ecgoldberg@aol.com">Ecgoldberg@aol.com</a></u></b>
<b>Maris C. Langford</b>	<b>Family, Estates, Orphan's Court,</b>	<b>70 West Oakland Ave. Doylestown, PA 18901</b>	<b>215-348-4031</b>	<b><u><a href="mailto:Marisesq@aol.com">Marisesq@aol.com</a></u></b>
<b>Nancy Larkin-Taylor</b>	<b>Civil, Family, Contracts</b>	<b>43 East Oakland Ave. Doylestown, PA 18901</b>	<b>215-340-5039</b>	<b><u><a href="mailto:Nvt43c01@comcast.net">Nvt43c01@comcast.net</a></u></b>
<b>Larry Lefkowitz</b>	<b>Civil, Family, Business, Real Estate</b>	<b>4802 Neshaminy Blvd. Suite 5 Bensalem, PA 19020</b>	<b>215-750-9202</b>	<b><u><a href="mailto:Larrythclawyer@verizon.net">Larrythclawyer@verizon.net</a></u></b>
<b>Jay B. Lieberman</b>	<b>Family</b>	<b>301 Oxford Valley Road Suite 303A Yardley, PA 19067</b>	<b>215-493-0700</b>	<b><u><a href="mailto:jaylieberman@aol.com">jaylieberman@aol.com</a></u></b>
<b>Barbara N. Lyons</b>	<b>Civil, Med-mal, Municipal, Real Estate, Business</b>	<b>220 Farm Lane Doylestown, PA 18901</b>	<b>215-340-7655</b>	<b><u><a href="mailto:Bnlyons@aol.com">Bnlyons@aol.com</a></u></b>
<b>Joanne Rathgeber</b>	<b>Civil Rights, Civil Litigation, Employment, Personal Injury</b>	<b>111 East Court Street Doylestown, PA 18901</b>	<b>215-340-0400</b>	<b><u><a href="mailto:Jr1@hillwallack.com">Jr1@hillwallack.com</a></u></b>

The Court of Common Pleas of Bucks County  
Mediation Pilot Program Questionnaire  
FOR ATTORNEYS

Your case was selected for the Mediation Pilot Program. Please complete this short Questionnaire and return it to the office listed below. Your input will be helpful in assessing the success of this Pilot Program and make any modifications where necessary. Thank you for your cooperation. All information provided is confidential.

1. Case Name and number: \_\_\_\_\_
2. Did you opt to mediate? (circle one) yes no
3. If you answered no, please state briefly why: \_\_\_\_\_
4. Briefly state the nature of the dispute: \_\_\_\_\_
5. If you answered yes to question 1, did your case resolve by mediation?  
(circle one) yes no  
If yes, please answer the following:
  - How many sessions were necessary to reach agreement? \_\_\_\_\_
  - How long was each session? \_\_\_\_\_
  - Was the agreement reached by the parties memorialized? \_\_\_\_\_
  - Was an agreement filed with the court \_\_\_\_\_
  - Have you filed an Order to Settle Discontinue and End? \_\_\_\_\_
  - How would you rate your mediator? (check one)
    - excellent \_\_\_\_\_
    - good \_\_\_\_\_
    - adequate \_\_\_\_\_
    - inadequate \_\_\_\_\_
6. Will you recommend mediation in the future as an alternative to litigation?  
If yes, why \_\_\_\_\_  
If no, why not \_\_\_\_\_
7. Please write on the reverse side any comments or suggestions you may have to help improve the Mediation Pilot Program and make mediation more available to attorneys and their clients. \*\*

Please return this Questionnaire to:  
BCBA Dispute Resolution Committee  
135 East State Street  
Doylestown, PA 18901

\*\*Questions, comments or concerns, call Barbara N. Lyons, Esquire, the Mediation Pilot Program Coordinator at: 215-340-7655

**Administrative Order No. 47 : Mediation Pilot Program**

The Court recognizes that the use of mediation may offer litigants a faster and less expensive alternative to litigation. Accordingly, in the interests of judicial economy and of those litigants who may benefit from the availability of mediation as a means of dispute resolution, the following program, which shall be known as the "Mediation Pilot Program," is hereby adopted:

1. For a period of six months from June 1, 2004, every fifth litigant who files a complaint in assumpsit, trespass, or equity, and every litigant filing a complaint alleging medical malpractice will receive a list of approved mediators and a "Mediation Notice" outlining the availability of mediation as an alternative to litigation. The Notice shall be in the following form:

**MEDIATION NOTICE**

You have been selected to participate in a pilot program that is intended to introduce litigants to mediation as an alternative to litigation.

Mediation requires the voluntary participation of all parties to submit this dispute to a mediator trained in resolving conflicts of this nature.

You may submit this matter to mediation at any time during the litigation process prior to arbitration or trial by contacting a mediator directly. A list of mediators approved by the Court is attached.

If your case is mediated and not resolved, you are entitled to proceed directly to trial without proceeding through mandatory arbitration.

The cost of the first two hours of mediation is \$300.00, split by the parties and paid directly to the mediator. Some cases may require additional time to resolve.

**THIS NOTICE MUST ACCOMPANY ORIGINAL SERVICE OF PROCESS ON ALL PARTIES. IF YOU JOIN OTHER PARTIES TO THIS ACTION, YOU MUST ALSO SERVE A COPY OF THIS NOTICE ON EACH PARTY YOU JOIN.**

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You may submit this matter to mediation at any time during the litigation process prior to arbitration or trial by contacting a mediator directly. A list of mediators approved by the Court is attached.

If your case is mediated and not resolved, you are entitled to proceed directly to trial without proceeding through mandatory arbitration.

The cost of the first two hours of mediation is \$300.00, split by the parties and paid directly to the mediator. Some cases may require additional time to resolve.

**THIS NOTICE MUST ACCOMPANY ORIGINAL SERVICE OF PROCESS ON ALL PARTIES. IF YOU JOIN OTHER PARTIES TO THIS ACTION, YOU MUST ALSO SERVE A COPY OF THIS NOTICE ON EACH PARTY YOU JOIN.**

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*Attorneys for Plaintiff*

RONALD A. LEVENE,  
4670 Redeux Ct.  
Doylestown, PA 18902

Plaintiff

vs.

MAZULLO & MURPHY, PC,  
ANTHONY J. MAZULLO, JR., ESQUIRE,  
CHRISTOPHER MAZULLO, ESQUIRE,  
KEVIN J. MURPHY, ESQUIRE and  
CHRISTOPHER P. KELLY, ESQUIRE,  
77 West Court Street  
Doylestown, PA 18901

Defendants

: IN THE COURT OF COMMON PLEAS OF  
: BUCKS COUNTY, PENNSYLVANIA

:  
: CIVIL ACTION - LAW  
: PROFESSIONAL NEGLIGENCE

:  
: JURY TRIAL DEMANDED

: NO.: \_\_\_\_\_ - CV - \_\_\_\_\_

**CERTIFICATE OF MERIT**

I, Wendy M. Schneider, Esquire, certify that:

  X   an appropriate licensed professional has supplied a written statement to the undersigned that there is a basis to conclude that the care, skill or knowledge exercised or exhibited by these defendants in the treatment, practice or work that is the subject of the complaint, fell outside acceptable professional standards and that such conduct was a cause in bringing about the harm;

AND/OR

\_\_\_\_\_ the claim that these defendants deviated from an acceptable professional standard is based solely on allegations that other licensed professionals for whom these defendants are responsible deviated from an acceptable professional standard and an appropriate licensed professional has supplied a written statement to the undersigned that there is a basis to conclude that the care, skill or knowledge exercised or exhibited by the other licensed professionals in the treatment, practice or work that is the subject of the complaint, fell outside acceptable professional standards and that such conduct was a cause in bringing about the harm;

OR

\_\_\_\_\_ expert testimony of a appropriate licensed professional is unnecessary for prosecution of the claim against these defendants.

Submitted by:

Hinman, Howard & Kattell, LLP

  
Wendy M. Schneider, Esquire  
Attorneys for Plaintiff

Date:

2/18/2010